FBIS DAILY REPORT

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GALTIERI, DOZO SENTENCED TO PRISON TERMS

PY160224 Madrid EFE in Spanish 0114 GMT 16 May 86

[Text] Buenos Aires, 15 May (EFE) -- The Armed Forces Supreme Council, Argentine's highest military court, today sentenced former Argentine President General Leopoldo Fortunato Galtieri to 12 years in prison for his responsibility for the 1982 Malvinas war. The Supreme Council also sentenced Admiral Jorge Anaya, the Navy commander during the war, to 14 years in prison, and General Basilio Lami Dozo, former Air Force commander, to 8 years in prison. The officers were also discharged from the military.

DEFENSE MINISTER DENIES ARMY DISMISSAL REPORTS

PY150337 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2220 GMT 14 May 86

[Excerpt] Buenos Aires, 14 May (NA) -- Defense Minister German Lopez today "categorically" denied reports stating that 15 Army staff officers, including Army Chief of Staff Hector Rios Erenu, could be dismissed. The minister asserted that "they are tendencious reports that only seek to create a climate of instability."

In statements made at the Jorge Newberry International Airport, shortly after welcoming Salvadoran President Jose Napoleon Duarte, the minister said that "there are no intentions to even study such a possibility," therefore "it is only an invention." Lopez added that "these rumors affect men that have an irreproachable reputation that they must safeguard" and added that "this only disrupts the climate of tranquillity that currently prevails within the Armed Forces." Lopez completely denied the "existence of any type of unrest within the Armed Forces" and reitarated that they follow the "normal chain of command and especially their commander in chief, President Raul Alfonsin."

SALVADORAN PRESIDENT SEEKS SUPPORT FOR CONTADORA

PY151551 Buenos Aires NOTICIAS AGRENTINAS in Spanish 1840 GMT 14 May 86

[Excerpts] Buenos Aires, 14 May (NA) -- Salvadoran President Jose Napoleon Duarte today stated that "I have come to seek this country's support for the great effort for dialogue and peace which is being made by the Contadora Group." The president made this statement upon starting his official 4-day visit to Argentina during which he will discuss the current situation in Central America with his Argentine counterpart, Raul Alfonsin.

Duarte was received this afternoon at the metropolitan airport by President Raul Alfonsin, Foreign Minister Dante Caputo, Defense Minister German Lopez, Interior Minister Antonio Troccoli, Labor Minister Hugo Barrionuevo, and Health and Social Action Minister Conrado Storani, as well as diplomatic representatives and high-ranking military officers. The Salvadoran president is paying a 4-day visit to Argentina during which he will meet with President Raul Alfonsin and Foreign Minister Dante Caputo. He will also hold meetings with provincial authorities and the president of the Supreme Court of Justice and will address an extraordinary congressional session.

Shortly after welcoming the Salvadoran chief of state, Foreign Minister Caputo said that "we will continue the talks that we started with President Duarte in Costa Rica," where ministers and chief of state congregated to participate in the inauguration of Costa Rican President Oscar Arias Sanchez.

Caputo added that "we hope we will be able to continue the exchange that started in a very auspicious manner."

Duarte then went to the John Kennedy University, where he was awarded an honorary degree. He was also decorated at the University of Moron.

Athos Fava, secretary general of the Communist Party, said that the Salvadoran president's visit "should be rejected by all popular and democratic forces," because "while he preaches peace he advocates war, and increasingly subjects himself to the Reagan administration's wishes." Fava said that "while Durate receives the protocol honors at the Government Palace, the Argentine people will go into the streets to demand trial and punishment," adding that "those responsible for genocide and torture respond to the same imperialist bosses under which Duarte's administration repress and kill our Salvadoran brothers."

In the afternoon the Salvadoran president will meet with the president of the Supreme Court of Justice, Jose Severo Caballero, at the court and from there to to Congress, where he will deliver a message to the Senate and Chamber of Deputies in an extraordinary session. The bloc of Intransigent deputies will not attend the extraordinary congressional session, the third summoned so far this year. This decision was disclosed this morning by Miguel Monserrat, who stated that by not attending the session the Intransigent Bloc repudiates "the complicity with the aggressive policy that the United States implements in Central America."

Monserrat said that "the decision was reached unanimously by the block," and stated that it was prompted by the "political background of Duarte, who participated in a de facto government that seriously violated human rights."

The Salvadoran president will return to his country at 1630 [1930 GMT] 16 May with a short stopover in Rio de Janeiro. He will be seen off by President Alfonsin and his official retinue.

Addresses Congress

PY160115 Buenos Aires Domestic Service in Spanish 1958 GMT 15 May 86

[Address by Salvadoran President Jose Napoleon Duarte at a special joint session of the Argentine Congress -- live]

[Excerpts] Mr Vice President of the nation and President of the honorable Senate of the Argentine Republic; President of the honorable Chamber of Deputies of the Argentine Republic; Messrs legislators; representatives of the Supreme Court of Justice; Messrs Ambassadors, civilian, military, and church authorities; ladies and gentlemen: My visit to this region is based on the spirit of Latin America integration, which a century and a half ago, our forefathers San Martin and Bolivar advocated as the common destiny of our people. Today, Presidents Alfonsin and Garcia [of Peru] have revived that guiding thought in order to confront those determined to divide and isolate the countries of our Latin American continent I have come to this country to express the Salvadoran people's determination to strengthen this desire for continental unity, which was also the banner of almost all Argentine leaders throughout history.

In 1984 presidential elections were held in my country within the democratic framework that had been established. These elections were held in a tense atmosphere because the extreme left rejected any possibility of a popular consultation, while the extreme right increased its activities with the death squads.

The Salvadoran people, however, responded massively to my appeal to strengthen democracy and to seek peace, and they elected me president. We are marching with an unwavering spirit along the difficult path of democracy, and we are building peace. Democracy in El Salvador is now a reality, we practice and live in an authentic pluralistic regime. There is elbowroom for all groups to take part in the political life of our country. Therefore, from democratic Argentina I make a new appeal to those who have taken up arms, to join the democratic process. The situation that prompted them to take up arms has changed.

Historically, there is no reason for violence because we have given our people everything the guerrillas claim to be struggling for, that is, economic reforms, social reforms, social justice, and liberty. All we need now in order to consolidate democracy is peace. This is why I appeal for dialogue and understanding. I ask those who have taken up arms to put down their weapons and cast their votes, to subject themselves to the people's judgment because only by doing so will they know whether the people support them or reject them. If the guerrillas reject this democratic appeal and refuse to submit to the historical judgment of our people, they will reveal their links to and dependence on forces alien to the Salvadoran people and, thus, betray their future, their fatherland, and our history.

I am engaged in seeking peace through dialogue, which is a just and human means and which responds to the peace-seeking spirit of my people. The framework within which dialogue must be carried out is one of respect for the people's will, democracy, and the constitutional scheme that creates and guarantees a state of law. I have respected that framework and my government held two meetings, in La Palma and Ayagsalocities, with the groups that have taken up arms.

At the end of the meetings, however, we were able to see that those groups were using dialogue as a tactical tool within their strategy to obtain political elbowroom and power through violent means. The guerrillas thus thwarted our sincere effort once again because they only use dialogue when they want to manipulate the international public opinion. I will spare no effort to carry out the process and will always be willing to engage in dialogue for peace.

Argentina and El Salvador, as well as most democratic countries, know how absurd and crazy terrorism is. Terrorism, promoted by fanatical leaders and minority groups, seeks only the power to perpetrate its criminal acts. Terrorism is a cancer that threatens the societies of the Western world. Therefore, I invite the nations of free men to join efforts and make a continental antiterrorist effort based on solidarity, participation, and the commitment to strengthen our democratic institutions. We seek sooperation in this field. Only if we are united against terrorism will we be able to meet this challenge and consolidate democracy in the continent, which is the only civilized outcome for our people.

Central America has viewed with great hope the strong Argentine participation in the Contadora Support Group for the Contadora Group's peace efforts. We believe that with your participation, our people have encouraging prospects of achieving peace, democracy, and cooperation for socio-economic development. El Salvador has always maintained that the signing of the Contadora act represents the most feasible way to establish an authentic legal, political, and diplomatic system through which peace and security in Central America may be reached. It is also a way to provide the resources and mechanisms to control, verify, sanction, and assure that this process advances and becomes consolidated.

It is urgent and necessary to fill the institutional vacuum to give our people security and confidence. We must create an institutional system based on an international tool to consecrate the true commitment, not only of the five Central American countries without which is obviously cannot function, but also of the countries like Argentina, which form the Contadora Support Group, and other countries that participate and commit themselves within the same system. This implies that the countries involved will place their prestige and their own political influence at stake as well as the prestige and political influence of their own leaders. This is necessary because, if once the Contadora act is signed, its mechanisms do not work, we will not have made the progress we desire, and we must advance before it is too late.

As we all know, the Latin American foreign debt surpasses $350 billion, and because of lack of liquidity, we debtor countries have not been able to grow for the well-being of our respective peoples. We know that we cannot overlook our democratic spirit and our international responsibility to honor our commitments. But we must promote actions that will allow us to face the problem. El Salvador will always support dialogue as an alternative for a domestic and international solution. Therefore, we express our solidarity with the Cartagena Consensus and the establishment of an international financial system based on the declarations and proposals contained in the Cartagena document.

In the international policy field we do not ignore the fact that our American continent suffers the consequences of unacceptable colonialism. The entire Latin American continent rejects the usurpation of the Malvinas Islands, which my country has defended at various international forums in support of the entire decolonialization process.

I am deeply convinced that mankind's historical path is not violence but rather the democratic revolution. This has been my struggle, this is my commitment, this is my message and this is why I have come talk to you about peace. Thank you very much.

CAPUTO, URUGUAY'S IGLESIAS MEET, DISCUSS DEBT

PY160035 Buenos Aires TELAM in Spanish 1702 GMT 15 May 86

[Text] Buenos Aires, 15 May (TELAM) -- Argentine Foreign Minister Dante Caputo and Uruguayan Foreign Minister Enrique Iglesias had a working lunch at noon today, taking advantage of Iglesias' visit to Buenos Aires to attend a ceremony honoring the memory of Raul Prebisch, whom Iglesias succeeded as Economic Commission for Latin America (ECLA) director.

No official report was released on the issues discussed but, bearing in mind that Uruguay is temporarily exercising the Secretariat of the Consensus of Cartagena, it was learned that they discussed the Latin American foreign debt issue.

PANAMANIAN FLAG SHIP, KOREAN CREW ARRESTED

PY151729 Buenos Aires TELAM in Spanish 1339 GMT 15 May 86

[Text] Rawson, 15 May (TELAM) -- A Panamanian-flag fishing boat with a Korean crew was arrested last night by the Argentine Navy patrol boat "Burruchaga" while operating in Argentine territorial waters on the latitude of Puerto Deseado.

The ship is now docked at the Almirante Storni pier in Puerto Madryn, where the naval prefecture is preparing the corresponding charges.

Information provided by LU 17 Radio Golfo from Puerto Madryn says that the captain and the crew of the Panamanian ship "Zinnia" are Koreans. Journalist Eduardo Bagnatto also reported that 251 tons of squid were found in the ship's hold.

Radio Golfo has publized the case as part of the campaign it is conducting against the installation of a Korean fishing enterprise in Puerto Madryn.

Journalist Bagnatto said that this case reinforces the Radio Golfo position on the exploitation of our natural resources by foreign ships. The radio is opposed to the project of establishing a Korean enterprise in Puerto Madryn, which would take advantage of Argentine subsidies and use Argentine ships with Korean crews.

He said that Korea is cleverly following a double policy: It manages to fish in British-occupied Argentine waters under the protection of British vessels and planes by using Korean-flag ships and Korean crews, and it now intends, through the installations in Puerto Madryn, to fish in Argentine waters under Argentine protection, using Argentine-flag ships but with Korean crews.

BRIEFS

NEW POLITICAL MOVEMENT LAUNCHED -- Buenos Aires, 11 May (DYN) -- A new political movement called "Everyone for the Fatherland" [Todos Por La Patria] was launched here over the weekend with the aim of "constructing our true national independence." The provisional executive board consists of: Father Antonio Puigjane, Meliton Vazquez, Martha Fernandez, Bishop Ruben Dri, Jorge Banos, Carlos Alberto Burgos, Jose Linieiro, and Jose Serra. [Summary] [Buenos Aires DYN in Spanish 2235 GMT 11 May 86 PY]

SOCIALIST LEADER DIES -- Buenos Aires, 12 May (NA) -- Alicia Moreau de Justo, leader and president of the Argentine Socialist Confederation, today at the age of 100 passed away due to a cerebral hemorrhage, [Summary] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1905 GMT 12 May 86 PY]

SAN MARINO MINISTER VISITS -- Buenos Aires, 11 May (TELAM) -- Lucio Reca, agriculture, livestock, and fishing secretary, has received Fiorenzo Stolfi, San Marino commerce, tourism, sport, and agriculture minister of state. At the end of the meeting Stolfi said that he was paying Reca a courtesy visit. [Summary] [Buenos Aires TELAM in Spanish 1051 GMT 11 May 86 PY]

GOVERNMENT APPROVES ANGOLAN AMBASSADOR'S APPOINTMENT

PY150322 Brasilia Radio Nacional da Amazonia in Portuguese 1000 GMT 14 May 86

[Text] Angola will establish its first Latin American embassy in Brazil. Yesterday the Brazilian Government approved the appointment of diplomat Francisco Romao de Oliveria e Silva as Angolan ambassador to Brazil.

The announcment was made by Itamaraty spokesman Fernando Barreto, who said that Itamaraty considers the appointment of an Angolan ambassador in Brazil a historic landmark, because this will be the first Angolan ambassador in Latin America.

The contacts of Brazil with Angola were initiated at the time of the Angolan revolution in November 1975 when the Brazilian Government decided to support the Popular Movement for the Liberation of Angola which brought President Agostinho Neto to power. In 1976 Brazil appointed diplomat Rodolfo Godoy Dantas as Brazilian ambassador to that country. Since then, economic, political, and cultural exchange has developed and culminated yesterday with the appointment of Francisco Romao de Oliveria e Silva as ambassador.

According to the Itamaraty spokesman, the intensification of relations with Angola is one of the priorities of the government of President Jose Sarney but, despite the peaceful character of this rapprochment, a strategic interest is at stake. The Angolan territory is at this time being invaded by South African troops that support the Union for Angola's Total Independence, UNITA. This invasion, which is financially supported by the United States, represents a threat to the political stability of President Eduardo dos Santos, who counts on the support of Cuba and the Soviet Union. Brazil is now another ally of Angola in this conflict.

PINOCHET MAKES SURPRISE VISIT TO ARICA

PY152337 Santiago Radio Chilena in Spanish 1300 GMT 15 May 86

[Text] President Pinochet's unannounced trip to Arica yesterday has caused surprise. Enrique Krauss discusses this trip and reviews the possible reasons for it. Krauss also mentions the general situation concerning Army participation in the raids conducted in some Santiago neighborhoods.

[Begin recording] The entire country was surprised yesterday when the head of state traveled to the northern part of the country, to the city of Arica, which has such historical significance for all of us. Presidential trips, especially under this government, have usually been publicized and scheduled well ahead of time. This type of surprise is certainly cause for concern because of the number of problems the country is facing. The situation in Santiago grows more tense in many districts everyday. The fact that the president of the Republic and his entourage went to Arica is certainly cause for concern. Why did he go? The country should be informed because this event certainly is strange. [end recording]

Enrique Krauss believes that there may be constitutional, military, or border problems in that area of northern Chile.

[Begin recording] There is no doubt that in Chile, and especially abroad, the trip by the head of state attracted attention and raised concerns. [end recording]

In addition to the surprise trip we must mention that on Monday, General Pinochet met with his Cabinet and with generals and admirals at Government Palace.

DC LEADER VALDES ON PROSPECTS FOR DEMOCRACY

PM151536 Barcelona LA VANGUARDIA in Spanish 20 Apr 86 p 14

[Interview with Chilean Christian Democratic [DC] Party Chairman Gabriel Valdes by Santiago Palacios in Buenos Aires; date not given]

[Excerpt] [Palacios] You said a few days ago that, following Haiti and the Philippines, it is Chile's turn. Is this wishful thinking or an objective assessment of the Chilean situation?

[Valdes] I am convinced that, following Duvalier and Marcos, it is Pinochet's turn. There is a worldwide attitude, which has been developing, of no longer tolerating systems of this kind, which have persisted because of international tolerance and even enjoyed some prestige or respect in government circles because they were in their way champions of anticommunism in the world.

[Palacios] Does your prediction have anything to do with political trends in your country, especially recently?

[Valdes] The end of the regime is in sight. Objectively, there is political exhaustion. There is an awareness on the part of the whole country that Chile has reached a limit which it cannot pass. Several factors have contributed to this: time, which is fundamental in politics; weariness of repression; and the international community, which is unanimous in condemning the regime.

[Palacios] Within that context, how do you assess the new U.S. strategy toward Chile?

[Valdes] We regard it as positive and important, because Europe had a traditional stance on that matter, but until Vietnam and even a little later -- particularly at the start of the Reagan administration -- the United States raised the banner of militant anticommunism and assumed that authoritarian right-wing regimes were reliable allies. This very strict and Manichaean view has changed; largely because of the U.S. leading sectors' realization that the best weapon they have for defending their interests is the international democratic community, and not the protection of regimes, which cause much greater violence -- as happened, for instance, in Nicaragua. When Somoza's empire collapsed, they found that the Sandinistas were not just kids who were wandering about the mountains.

[Palacios] How are the Armed Forces reacting to this U.S. turnabout?

[Valdes] The reaction we know about so far is one of defiance -- not only of the United States but of the world, too. There are explicit statements, not only by Pinochet but also by his closest civilian and military colleagues. And there is even the president's statement that it is sufficient for him to have South Africa's friendship.

[Palacios] Are the Chilean political leaders working with a view to a more or less immediate change of government, or are they setting their sights on 1989, when the new president should be elected under the Constitution approved by Plebiscite in 1980?

[Valdes] We have been working more on a medium-term that a short-term basis, even though the mobilization we are effecting is very extensive, since it involves almost the whole of society, from professionals to peasants. This phenomenon is new after so many years of fragmentation and will take very vigorous new forms. Each sector is protesting on its own account -- especially the workers, who are demanding recognition of their rights. Only 8 percent of them are unionized. On the other hand, we politicians are working, following the consequences of the Popular Unity experience and the 1973 coup, for the rebuilding of democracy among people who did not talk to us for many years. The Democratic Alliance and then the National Agreement emerged, and all this forced us to relinquish many of our doctrinaire demands in order to begin to aim at a pluralist democracy, which would make possible coexistence among everybody. We do not really have a formula for transition, but we do agree on demanding an election to form an assembly that will make it possible to reformulate the Constitution.

[Palacios] So the opposition is not prepared merely to negotiate better terms for 1989?

[Valdes] We need changes right now. I do not believe that the country can keep going until 1989 in the current state of tension it is experiencing, which is constantly deepening and intensifying. Those who believe, like the military and some right-wingers, that we are automatically going to achieve democracy in that year are profoundly mistaken. To reach 1988 we should have already started the changes, but Pinochet and his supporters say that nothing is going to change.

[Palacios] You spoke of the approaches for each sector of Chilean society, and this seemed a reflection of the lack of coordinated opposition action. What prevents unity against the regime?

[Valdes] From the viewpoint of social mobilization, the opposition is now united regardless of any ideological consideration. Where there is no single body is at the political level, as happened here in Argentina when the multiparty board was formed. This has not happened because the Communist Party, which has maintained an ambivalence between its traditional attachment to the democratic forms and its vocation for violence and rebellion against authority, voluntarily excludes itself from the Democratic Alliance. My party and others in the Democratic Alliance rule out violent action to combat the regime because we believe that it consolidates instead of weakening it.

[Palacios] You said that your party rejects violent means. What is your opinion of the recent Vatican document in which armed struggle is accepted as a last resort against protracted dictatorships?

[Vlades] The document updates the ancient moral doctrine that violent means are legitimate in the face of inability to gain respect for fundamental rights. What we believe is that in Chile, in view of historical and current conditions, violent action is counterproductive and basically rejected by the vast majority in the country. I hope that it is not necessary, but I cannot deny that if this goes on for 3 or 4 years, clearly the arguments which might be cited in favor of violent struggle would carry much greater weight.

ALLEGED FPMR MEMBERS SENT TO MILITARY COURT

PY141232 Santiago Radio Chilena in Spanish 2300 GMT 13 May 86

[Text] Seven people charged with being members of the Manuel Rodriguez Patriotic Front [FPMR] have been placed at the disposal of the military prosecutor by the National Intelligence Center [CNI].

Among them is an individual who was sentenced in absentia for attacking and burning a bus. In addition, the CNI has reported that also included is a woman who was sentenced in absentia for allegedly violating the law on arms control in Concepcion. The CNI reported that another FPMR member is charged with killing a detective. All these charges are included in a complete report the CNI released this afternoon.

The seven decainees were identified as follows: Eduardo Guillermo (Rosentreter) Zamora, 21, nom de guerre "Pedro"; Francisco Alberto Escobar Munoz, 20, nom de guerre "Jose," "Sergio," or "Jaime"; Eduardo Ivan Bustos Rivers, 25, nom de guerre "Julio" and "Luis"; Manuel Humberto Fuenzalida Navarrete, 26, nom de guerre "Juan Carlos" and "Joaquin"; Angelica Roxana Rojas Toledo, 24, alias "Carola"; Susana Jeannette (Bugeno) Munoz, 27, also known as "Matilde," "Alejandra," "Ana," and "Monica"; and Raul Ramando Figueroa Guayardo, 30.

It was reported that the last six detainees are members of the FPMR combat unit.

In addition, the CNI reported that, as is publicly known, these people possessed a powerful arsenal that was hidden in the houses located at 3001 (Calvuco) Street, 2990 President Errazuriz Street, and 1624 Herrera Street.

SEMINARY STUDENTS DEMONSTRATE, 10 DETAINED

PY151721 Paris AFP in Spanish 0049 GMT 15 May 86

[Text] Santiago, 14 May (AFP) — Police sources have reported that at least 10 demonstrators were detained today in Santiago when the police suppressed a march of seminary students voicing their support for the Solidarity Vicariate of the Catholic Church.

The lawyer Gustavo Villalobos and Dr Ramiro Olivares of the Solidarity Vicariate were imprisoned 2 weeks ago for aiding a wounded man who was presumed to have participated in an ambush on 28 April in which a policeman was killed.

The wounded man, Hugo Gomez Pena, has been accused of being a member of the subversive Manuel Rodriguez Patriotic Front (FPMR). He was in hiding while he received medical attention, but yesterday he was handed over to the authorities by Vicariate representatives who said in a communique that it was their unwavering duty as Christians to defend human life.

Over 200 seminary students marched along San Antonio Street in downtown Santiago, shouting slogans and carrying banners in support of the vicariate, which is an organization giving aid to political prisoners and their relatives. But the column was intercepted by the Carabineros military police who used tear gas to disperse the demonstration.

ADM MERINO DENIES SPY CHARGES BY ARGENTINA

PY141226 Sanitago Radio Chilena in Spanish 2300 GMT 13 May 86

[Excerpts] Admiral Jose Toribio Merino Castro today stated that Cardinal Juan Francisco Fresno quote showed a great deal of goodwill by asking that the raids be discontinued, but the law is the law unquote.

Merino, a member of the Government Junta, made this statement at the conclusion of a legislative branch meeting.

Commenting on a statement released by the Argentine Naval Intelligence Service charging that Chileans reportedly were caught spying, Adm Merino said that this is not so. We will not spy in Argentina, he said, because we have nothing to look for.

BRIEFS

1985 COPPER PRODUCTION -- According to the Chilean Copper Commission, Chilean copper production in 1985 totaled 1.356 million tons, which was the largest for the past 5 years. The commission reports that the Chuquicamata mine was the enterprise that with 84,000 tons yielded the most. It was followed by the El Teniente mine, which produced 53,900 tons; the Andina mine, which produced 17,500 tons; and the El Salvador mine, which produced 17,100 tons. The first 2 months of 1986 have yielded a total of 172,500 tons of copper. This surprasses the 161,200 tons produced during the same period of the previous year. The Chilean copper commission also noted that the small and medium mining sector totaled 39,800 tons during the first 2 months of 1986. [Excerpt] [Santiago Domestic Service in Spanish 1700 GMT 13 May 86 PY]

INTERNATIONAL SATELLITE -- Chile will join the international program called Satellite Search and Rescue System, known by the acronym Sartat Cospa, through an agreement that will soon be ratified between the University of Chile and the SAR of the Chilean Air Force. Chile will thus join the group made up of the United States, Canada, France, and the Soviet Union, and it will be the first country in the Southern Hemisphere to do so. [Excerpt] [Santiago Domestic Service in Spanish 1100 GMT 15 May 86 PY]

STATE OF SIEGE TO CONTINUE FOR 2 WEEKS

PA151920 Bogota Television Service in Spanish 1730 GMT 15 May 86

[Text] Government Minister Jaime Castro today confirmed that the presidential elections will be held under the state of siege because it cannot be lifted due to the investigations being carried out on the Palace of Justice events. The minister said that this is a legal rather than a political action. The government granted 15 more days to the commission that is investigating the events in the Palace of Justice on 6 November 1985. This means that the state of siege will not be lifted this week as had been foreseen. The fact is that the investigative commission was created by an emergency decree using the power of the government under a state of siege. If the state of siege is lifted at this time, the commission would stop functioning without having finished its task.

Special judges Jaime Serrano Rueda and (Carlos Utegui) requested that the deadline that expired today be extended because more than 20,000 pages must be reviewed and incorporated into the report that seeks to clarify what really occurred in those 2 days. The government admitted that the period had been insufficient and by means of Decree No 15-22 issued today it granted 2 more weeks to the special investigative court [as heard].

MILITARY REJECTS ATTORNEY GENERAL'S CHARGES

PA151833 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 15 May 86

[Text] Bogota -- The Colombian Armed Forces have reiterated their respect for the Constitution, but they claimed that their men have the right to be condemned only if they have been heard and convicted in a trial. This was said in rejection of statements made by the nation's attorney general to the effect that isolated units of the Armed Forces are guilty of abuse of authority.

Colombian Defense Ministry General Miguel Vega Uribe replied to a document sent by the nation's attorney general containing serious charges of rape, torture, and disappearances involving members of the Armed Forces. Gen Vega Uribe also explained that the armed institution itself and its top leaders have always been willing to investigate such charges. In this reply, Gen Vega said that the attorney general went overboard when he released names of Armed Forces members before investigations were completed and before a regular judicial court could determine whether or not they are guilty.

SEVEN QUINTIN LAME GUERRILLAS KILLED IN CLASH

PA141417 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 14 May 86

[Text] Popayan -- Seven guerrillas of the pro-Indian Quintin Lame group were killed in a clash with police in (Panquita), in Totor jurisdiction in Cauca Department.

With those killed in Totor, the number of subversives killed in the last few hours in clashes in Cauca Department has risen to 21.

The operation is being carried out by police units in (El Atico). The whereabouts of the guerrillas was reported by a rancher after they stole several of his cattle. Twenty-four knapsacks, subversive propaganda, weapons, and ammunition have been seized.

GOVERNMENT SPOKESMAN ON CABINET RESIGNATION

PA151614 Quito Voz de los Andes in Spanish 1130 GMT 15 May 86

[Text] Patricio Quevedo Teran, head of the Sendip [National Secretariat for Public Information], has said that after 2 years of administration a reorganization of the cabinet of the Leon Febres Cordero government is justified.

[Begin recording] [Quevedo Teran] Obviously, it is administratively advisable that the appointment and change of his most immediate aides be always the exclusive concern of the president, in this case of Febres Cordero.

[Unidentified reporter] Will the (?changes) be in the next (?few weeks)?

[Quevedo Teran] Part of the power to apoint individuals to specific posts also involves the power to decide when such appointments are made. Therefore, that is up to Febres Cordero.

[Reporter] Won't there be a paralyzation of the administration in view that the ministers have presented their collective resignation [words indistinct]

[Quevedo Teran] Fortunately, it does not occur because of two reasons. One of the reasons is that there is the everlasing principle in Ecuadoran administrative law which states that the individual must continue carrying out his tasks until he is legally replaced. Therefore, this is the case. They are strictly bound to do this. The other reason is that President Febres Cordero's government team is very responsible and efficient. Even if such a legal principle did not exist, you can be sure that each person would continue with the same dedication, fulfilling his functions until the president makes a decision.

[Reporter] But after 2 years [words indistinct]?

[Quevedo Teran] I believe so and that is why their positions were placed at the disposition of the president.

[Reporter] Then there are no specific changes [words indistinct]

[Quevedo Teran] I again repeat that this is up to the decision of the president. [end recording]

VARGAS ACCUSES FEBRES OF PRESSURE TO BUY PLANES

PA141512 Quito Voz de los Andes in Spanish 1130 GMT 14 May 86

[Text] In sworn testimony presented yesterday to Efrain Cisneros, judge of Pichincha's 10th Penal Court, General Frank Vargas Pazzos, former FAE [Ecuadoran Air Force] commander, said that pressure to purchase the Fokker F-28 was directly exerted by President Leon Febres Cordero.

Vargas Pazzos also explained that on one occasion, under the pretext of speeding up the purchase, the FAE general commander was pressured through a letter signed by Mrs Gomez [not further identified] and noted that this letter must be on file at the FAE.

Meanwhile, Raul Vaca of the Democratic Left emphasized that it was Febres Cordero who authorized the exchange of dollar into guilders in the Fokker purchase. He noted that the Support Commission worked very responsibly in order to have clear results as to those responsible for irregularities committee in the purchase of this aircraft.

GALAPAGOS WATERS DECLARED MARINE RESERVE

PA151639 Quito Voz de los Andes in Spanish 1130 GMT 15 May 86

[Excerpts] Through an executive decree signed by the Ecuadoran president, the national government declared the waters adjacent to the Galapagos archipelago a marine reserve. According to the decree, the reserve area is that included in the polygon formed by the outermost points of the archipelago plus a strip of 15 nautical miles. In this regard, Roque Sevilla, president of the Natura Foundation, stated:

[Begin recording] The reason 15 additional miles were included is that it is more or less the maximum distance flown by the birds that live on the islands and that depend on fishing in the sea. This marine reserve will be one of the biggest in the world. It will be the first in the eastern Pacific Ocean. No other Latin American country has declared a marine reserve on the Pacific. The reasons for this protection are varied and important. Perhaps the first reason is the existence of a large number of living creatures that solely and exclusively live on the Galapagos.

The decree establishes the creation of a commission of scientists that within a year will decide the way to manage the Galapagos marine area. Through it, we will see how it will be specifically managed. However, we must stress that the population of Galapagos must not be worried because the limitation that exist in the Galapagos National Park, which covers 97 percent of the land of Galapagos, no agricultural activity is premitted. In the case of the marine area, individual fishing will be permitted but industrial fishing will be prohibited, expecially of foreign groups such as the Soviet, Japanese, or U.S. fishing fleets that sometimes enter the marine areas of Galapagos and destroy all the marine life with their huge nets. [end recording]

TERAN ON RESULTS OF FEBRES CENTRAL AMERICA TOUR

PA131607 Quito Voz de los Andes in Spanish 1130 GMT 13 May 86

[Text] Foreign Minister Edgar Teran stated at the conclusion of President Leon Febres Cordero's visit to Costa Rica and Honduras that the international community has a clear understanding of Ecuador's foreign policy because it is clear, well-defined, open, pragmatic, and does not act on double standards. At the end of the tour through Central America, Teran discussed two of its major accomplishments. First at the regional level, he pointed out that Latin America agreed that peace in the hemisphere is of foremost importance to all of the area governments, which must help bring it about; and that peace must be based on the prevalence of genuine, effective democracy in all of the region's countries, particularly in the Central American states. The second accomplishment was the reaffirmation of Ecuador's position as a member of the international community. He said that the peoples and governments of the countries the president visited liked President Febres a great deal, and this increases the country's prestige and will lead to more cooperation. Teran pointed out that the possibility of reaching peace in Central America will increase as the international community exerts pressure to democratize the entire region.

OPPOSITION MEETING HELD WITHOUT INCIDENT

PY151545 Asuncion HOY in Spanish 15 May 86 p 6

[Text] About 1,500 people yesterday attended the political meeting organized by the National Accord at "People's House," headquarters of the Febrerista Revolutionary Party [PRF]. The gathering was staged in support of the national dialogue sponsored by the Catholic Church.

Before the meeting, a mass was given in the Encarnacion Church, after which a police officer told PRF leader Oscar Acuna Torres that those participating in the religious ceremony had permission to go to the political meeting, telling him the streets along which the demonstrators should march. They left the Encarnacion Church by the back door, and followed Humaita, 14 de Mayo, and Manduvira Streets to the PRF headquarters. While marching four or five blocks from the Encarnacion Church to the PRF headquarters, the demonstrators loudly shouted antigovernment slogans and demanded the release of Carlos Filizzola, Corazon Medina, and Alberto Alderet, detained by the security guard on orders from the executive branch.

During the march to the PRF headquarters -- which was observed by a large number of foreign newsmen -- there were no incidents and the police forces limited themselves to observing the demonstration without interfering.

At the site of the meeting, a large group of people who remained outside started to demand that the meeting be held in the street. The meeting followed the established agenda, however, and was held inside the building. Speeches were given by Miguel Angel Martinez Yaryes, Carmen de Lara Castro, Emilio Reynal, Felino Amarilla, and others. When Dr Felino Amarilla was about to mount the platform to make his speech, about 150 people who had gathered at the corner of 15 de Agosto and Manduvira Streets started to shout slogans in favor of General Stroessner and to shout insults at those participating in the National Accord meeting. The group was led by Mario Pastor Almada, president of the 23d Colorado Party precinct.

In his speech, Felino Amarilla called Almada a "police spy" and a "dollar swindler." Almada's group replied by shouting "liers" and "legionnaires" [politicians serving foreign interests], threatening to attack.

A group of those participating in the National Accord meeting started moving toward Almada's group, but Felino Amarilla suggested that the provocation should be ignored, and the meeting continued without incident. A few minutes later, Almada took a megaphone and started haranguing his followers, threatening that they "were getting fed up" and would start "acting" at any time. All this occurred while the police remained totally indifferent and permitted the smaller parallel meeting to take place in the street. When it ended and the people began to disperse, some of Almada's group left with some of the plainclothesmen in a vehicle parked on the corner of Alberdi and Manduvira streets. It was a microbus with Asuncion plate No 84687/

EXILE DOMINGO LAINO ON POLITICAL STRUGGLE

PY140400 Formosa LC-10 Television in Spanish 2300 GMT 12 May 86

[From the "Noticiero 11" newscast]

[Excerpts] Many people participated in a peaceful march to the Immigrants Monument, located in front of the General Belgrano Railway station, at 1200 10 May. The march was organized by the political organization that oppose General Alfredo Stroessner's regime in Paraguay.

Prior to the march, mass was held at the Our Lady of Ca.men Cathedral in which all those who have fallen in Paraguay's political struggles were remembered. Paraguayan exiles living in Formosa and political leaders, of whom Domingo Laino was the most notable, who oppose the current Paraguayan Government attended the mass.

After the mass the demonstrators walked along 25 de Mayo Avenue to the Immigrants Monument to the applause of bystanders many of whom joined the marchers. The main speakers Marcelo Rios and Domingo Laino, scored the Alfredo Stroessner regime. A wreath was placed at the foot of the monument by the Paraguayan community living in Formosa. The ceremony was followed by an improvised political act at the moment.

The recent political events that have occurred in Asuncion were evaluated by Domingo Laino, a leader of the Authentic Radical Liberal Party [PLRA]. When questioned by Noticiero 11, Laino stated:

[Begin recording] [unidentified reporter] What is your opinion about the violent incidents that have occurred recently in Asuncion?

[Laino] Really detestable. For me as well as for people like you, Argentines, who live in a state of law, those incidents show a strong-handed or despotic government that reacts against demonstrations with actions befitting rightist totalitarianism.

Obviously, all this is detrimental to the political health of Latin America. Those violent actions are deplorable examples. The terrorism of the state that has been unleashed serves to alert not only the Paraguayans but also other Latin Americans of good conscience who are watching such developments with great concern. We are very concerned about the fact that the governor of this province, who was elected by the people, is supporting the Stroessner government in a way that no- only damages the image of this province, but that of the entire Argentine Republic. The fact that this governor went to Asuncion as an Argentine brother, wrapped a red bandanna around his neck, and handed a plaque and a gold medal to Stroessner and Montanaro, precisely the ones responsible for the serious violations of human rights that are taking place in Paraguay, is very serious. This is such an incongruous gesture and hurts the Paraguayan exiles living in this beloved fatherland of San Martin. This land is loved by all the Paraguayans, who have always been welcomed here.

[Reporter] Do you believe that the Paraguayan people who have been living under a dictatorship are now waking up a little?

[Laino] They are waking up more than a little. The demonstrations are not only of a political character, but of an economic and social character as well. This is what is happening at the Hospital de Clinicas with physicians and nurses making salary demands and protesting. At the same time, the political parties are also organizing actions, taking to the streets and courageously confronting the great violence being handed out by the state, by a Paraguayan state seized by a terror that moves it to use electric prods, sticks, and chains to beat up a defenseless people who only seek their liberation as did the Brazilians, Argentines, and Uruguayans. [end recording]

The exiled vice president of the executive board of the Authentic Radical Liberal Party, Dr Domingo Laino, has refuted recent statements by the public information secretary of the local government, Dr Orlando Aguirre, regarding the situation in Paraguay.

[Begin recording] [Reporter] Dr Laino, the public information secretary of the local government has said that only the friendship with the Paraguayan people prompted the presence of Governor Dr Floro Bogado in Asuncion. What is your opinion?

[Laino] He said that and he also said that the true friends must be with their friends through good and bad. That his statement amounts to an admission that the Stroessner government is facing a bad situation.

[Reporter] You really think so?

[Laino] I think so, because when someone refers to bad or good situations, he is admitting that the situation is somewhat special. And it is so because the Paraguayan people are taking an active stance and taking to the streets; because the political parties are in the middle of a mobilization; and because the agents of repression are beating the people. We have seen this on the Formosa Television and also on the Brazilian O Globo Television Network: The agents of repression hitting the people, students, politicians, and even journalists from the German Television as was reported by the international press agencies.

[Reporter] The provincial public information secretary also said that Stroessner is not a de facto, but an elected president since 11 July 1954. Is it so, Dr Laino?

[Laino] It will be better for me not to speak because I am an opponent of the regime and an exile who cannot return to Paraguay. I will just say that the United Nations and the OAS Inter-American Human Rights Commission have censured Paraguay for maintaining a state of siege since1954, a necessary step because Stroessner came to power after a coup. I believe that this more than confirms that Paraguay is not in a state of constitutional law as that gentleman, the public information secretary, so wrongly contends.

[Reporter] The same local information official also said that a campaign to destabilize the Stroessner government is being conducted from Argentina, mainly by the media. We would like to know your opinion about this.

[Laino] Well, what I can say is that this Mr Aguirre is saying precisely what Duvalier said 1 or 2 months before he was ousted, what Ferdinano Marcos said before he was overthrown. Stroessner and his spokesman are saying the same things. There seems to be a strange similarity between the ideas of this public information secretary and the thinking of these dictators and their spokesmen. I cannot understand how, since Formosa is a province so close to Paraguay, this Mr Aguirre can be ignorant of what is happening in Paraguay; of the longest state of siege in the history of Latin America; of the existence of Captain Napoleon Ortigoza who by now has been in prison for 25 years and is the oldest political prisoner anywhere; of the three or four OAS inter-American Human Rights Commission resolutions, censuring the Paraguayan Government; of the latest resolution of the Geneva-based UN Human Rights Commission censuring Paraguay for human rights violations and urging its government to lift the 30-year long state of siege imposed on the country. However I do believe that all other Argentines know what the situation is like in Paraguay. This is why we find it so strange that the public information secretary has made such mistaken and misguiding statements that affront the Paraguayan and continental democratic conscience. [end recording]

BRIEFS

KOREAN AMBASSADOR PRESENTS CREDENTIALS -- This morning President Alfredo Stroessner received the credentials of Kwon Yong-sun, new ROK ambassador to replace Kim Sok-kyu. [Summary] [Asuncion ULTIMA HORA in Spanish 13 May 86 PY]

ABADIA: NICARAGUA SIGNS ACT, U.S. WILL STOP AID

PA151347 Paris AFP in Spanish 1328 GMT 15 May 86

[Text] Bogota, 15 May (AFP) -- Panamanian Foreign Minister Jorge Abadia stated today that the United States will suspend its aid to the anti-Sandinists the moment Nicaragua signs the Central American peace act.

In a telephone conversation fron Lima, Abadia told Bogota's Radio Cadena Nacional the following: "I can state with no fear of being mistaken that Nicaragua will sign the peace act on 6 July [as received]." He added: "On that day the United States will suspend its aid to the anti-Sandinist groups." Abadia insisted over and over that "this will be a reciprocal action that has no other conditions."

The Panamanian diplomat dismissed rumors about a possible Nicaraguan refusal to sign the act until the United States suspends its military and economic assistance to the contras.

Further Comment on Contadora

PY152032 Madrid EFE in Spanish 1505 GMT 15 May 86

[Text] Lima, 15 May (EFE) -- Panamanian Foreign Minister Jorge Abadia said today in Lima that when the Contadora peace agreement is signed on 6 June it will be an "antidote against destruction and death."

The Panamanian foreign minister, who is visiting Lima until tomorrow, will invite Peruvian President Alan Garcia to visit Panama on a date to be determined in Lima. Abadia said that the Contadora agreement "is the initial but basic step toward peace in Central America."

"We are not so naive, however, as to think that by signing the agreement everything miraculously will be settled in Central America. That will occur with the fulfillment of its stipulations, which seek the development and progress of the Central American nations," the Panamanian Foreign Minister said.

Referring to some fears expressed by Nicaragua concerning the signing of the peace agreement, Abadia stated that Nicaragua had committed itself in a letter to signing the Contadora peace agreement.

Abadia added: "We, that is the Contadora Group and the Contadora Support Group, do not want to impose foreign solutions on any Central American country and for this reason the negotiations, which have now lasted more than 3 years, have been difficult."

Hinting at Nicaragua, Abadia added that we do not want to impose a security risk on anyone. We believe however, that the Contadora Agreement will guarantee peace and progress for Central America and the end of confrontation, he said.

The Panamanian foreign minister stressed: We understand the concern expressed by Nicaraguan President Daniel Ortega and by the presidents of other Central American nations, but even the United States has stated in writing that it will respect the agreement once it is signed, he concluded.

POLICE BREAK UP INTERNATIONAL DRUG RING

PY142252 Paris AFP in Spanish 0255 GMT 14 May 86

[Text] Lima, 13 May (AFP) -- Police forces today disclosed that they broke up an international drug traffickers' ring, capturing five of its members and destroying five drug manufacturing laboratories.

The ring, headed by Colombian Jaime Bonilla Agudelo who managed to escape, and Peruvian Jose Guizado Rodriguez, had its operations center in the posh Monterrico neighborhood in Lima.

The police arrested Rodriguez and four of his accomplices and seized 50 grams of refined cocaine at the traffickers headquarters.

The arrest of these persons led to the raid, later, of four laboratories engaged in producing cocaine that were located in Arequipa and Juliaca towns in southern Peru.

Another two members of the ring were found in Tingo Maria, northern Lima, but they managed to flee into the jungle, according to police sources.

The ring sent cocaine to Colombia from Lima and Piura airports. According to Guizado, they have been operating for the past 2 years and produced 5 kg of cocaine hydrochloride per week.

POLICE GENERALS RETIRE UNDER 'RENOVATION' PLAN

PY151541 Lima Television Peruana in Spanish 0000 GMT 15 May 86

[Text] Eight police generals have been retired. They are: Alfonso Zavala Fuentes, Hector Raffo Niquen, Eduardo Palomino Morales, Hector Chesa Sanchez Carrion, Edward Hipolito Revilla Fernandez, and Victor Garcia Ley. Erasmo Bocanegra Espinoza of the Military Legal Department also was retired.

These generals have been retired as part of a renovation program implemented by the director general of the Peruvian Police. General Daniel Eugenio Villafuente Jurgens has also retired at his own request.

FOREIGN MINISTER DENIES CONFLICT WITH NICARAGUA

PA160243 Caracas Television Service in Spanish 0000 GMT 16 May 86

[Text] Foreign Minister Simon Alberto Consalvi denied today that he has received a protest note from the Nicaraguan Government because of a recent visit by anti-Sandinist leaders. According to a United Press International, UPI, dispatch, Nicaragua had sent a protest note to the Venezuelan Government because Foreign Minister Consalvi received the Nicaraguan opposition leaders, mainly leaders of the Nicaraguan Social Christian sector. We contacted Foreign Minister Consalvi to find out the truth:

[Begin recording] In my opinion it is some sort of manipulation common these days and I think that the idea is to hurt the relations among the countries of the region. [end recording]

Foreign Minister Consalvi reiterated once more that Venezuela has no problems with the Central American countries.

DEFENSE, INTERIOR MINISTERS ON YARACUY INCIDENT

PA151555 Caracas Television Service in Spanish 0000 GMT 15 May 86

[Text] Defense Minister Vice Admiral Andres Brito Martinez said today that the necessary measures have been taken to have the garrison command prosecute the people who took part in the military rebellion [as heard] in Yumare, Yaracuy State. Defense Minister Brito Martinez said that legally he is authorized to take action in cases of military rebellion according to the definition of what rebellion means in the code of military justice. Regarding the people who will be prosecuted, Brito Martinez said that it will be only the ones who actually participated in the rebellion and that the Army prosecutor will decide who will stand trial.

[Begin Brito Martinez recording] Let me explain. The so-called guerrillas are not really guerrillas in the ideological sense of word. These guerrillas we will prosecute are a combination of guerrillas, drug traffickers, and bandits. [end recording]

Meanwhile, in Congress Interior Minister Octavio Lepage attended the ordinary session of the Chamber of Deputies Interior Policy Commission discussing the incidents of Yaracuy. Lepage answered the questions of the deputies, who wanted to know why the alleged guerrillas were killed and not arrested. Interior Minister Lepage told them that the government assumes full responsibility for what happened, convinced that it acted according to the law, which it will defend under any condition. Lapage added that the government and the state's security corps that took part in the incidents in Yaracuy were able to defeat the armed subversion.

Lapage denied that the group of Venezuelans who took part in the rebellion had any link with Latin American terrorist forces.

[Begin Lepage recording] We are not going to allow the revival of armed subversion in Venezuela, in any form. Even small groups insisting on the use of violence are dangerous, not because they are endangering the stability of the democratic order, but because they carry out actions that can affect and alter public peace and tranquillity. [end recording]

In view of the situation, the Chamber of Deputies Interior Policy Commission decided to ask the Permanent Subcommission for Human Rights and Guarantees to continue gathering information on the recent incidents in Yaracuy and to report to the commission.

POLISH FOREIGN MINISTER ARRIVES FOR TALKS

FL152114 Mexico City NOTIMEX in Spanish 2010 GMT 15 May 86

[Text] Mexico City, 15 May (NOTIMEX) -- Polish Foreign Minister Marian Orzechowski said today that because of increased tensions, Mexico and Poland have a great responsibility to defend peace and prevent a nuclear catastrophe.

Upon his arrival in Mexico City for an official visit, the European minister stressed the ties of friendship that exist between the two countries, not only because of their historical experiences, but also because of their foreign policy principles and because of their role in international peace forums. Orzechowski said the current tense world situation has only one dilemma: To choose between the arms race or struggle for decreased tension and return to the process of intense cooperation. The foreign minister indicated that humanity's important task is to preserve world peace and prevent a nuclear holocaust.

During his visit to the federal district, Orzechowski will meet with his Mexican counterpart, Foreign Secretary Bernardo Sepulveda Amor, with whom he will analyze bilateral and mutlilateral affairs. They will also discuss the arms race and the risk confronting humanity if this is not checked.

INTERPARLIAMENTARY MEETING WITH BELIZE BEGINS

FL151820 Mexico City NOTIMEX in Spanish 0240 GMT 15 May 86

[Text] Mexico City, 14 May (NOTIMEX) -- Mexico and Belize will strengthen their friendly respectful relations through the interparliamentary meeting between the two nations, the president of the permanent commission of the Mexican Congress, Eliseo Mendoza Berrueto, has said. When the first round of conversations began with the subjects the integration and functioning of the legislative powers of both countries, and border relations, the legislators of the two countries agreed that the talks will benefit both parties.

The Mexican Deputies Gonzalo Badillo, Homero Diaz, and Rosa Maria Armendariz stressed the fact that relations along the border between Mexico and Belize have always been cordial and that Mexico was the first country to express its solidarity with Belize when the latter obtained its independence.

Belizean Legislators Honesimo Pech and Salvador Fernandez described to the Mexican Congress the manner in which the Belizean Government and legislature are constituted, explaining that the legislature consists of the House of R presentatives with 28 and the Senate with 8.

Meeting With Senator

FL152054 Mexico City NOTIMEX in Spanish 1840 GMT 15 May 86

[Text] Mexico City, 15 May (NOTIMEX) -- Mexican Senate leader Antonio Riva Palacio Lopez told Belizean legislators: who are participating in the first interparliamentary meeting between the two countries that Mexico wishes to maintain its identity and origin, and strengthen ties of friendship and Belize.

He said that parliamentary diplomacy should strengthen international ties and he supported the expansion of Mexican and Belizean relations so that their common roots are not lost. Even though Belize is a country with origins which are different from those of the rest of Latin American, Belize clearly identifies with the region.

For his part, Belizean representative Honesimo Pech was appreciative of the attention and hospitality offered by the Mexican people and agreed with Senator Riva Palacio that the lines dividing the two countries are only geographic because Belize is very united with the Mexican people.

Arevalo Meets With Belizeans

PA160220 Mexico City XHDF Television Service in Spanish 1955 GMT 15 May 86

[Humberto Mares report]

[Text] Today Mexican National Defense Secretary General Juan Arevalo Gardoqui said that Mexico has ties of sincere friendship with all nations within a framework of mutual respect. The defense secretary hosted a breakfast in honor of a Belize parliamentary delegation visiting our country.

[Begin recording] The strongest ties linking our country to other nations are sincere friendship and respect for the sovereignty and wishes of all peoples. To respond with goodwill to those who treat us with respect is the will of our supreme chief, Miguel de la Madrid, to whom we owe high loyalty, obedience, and respect. We have geographical and historical ties with Belize. We are also linked in the struggle for new and better ideals and in the hope of knowing that we will soon overcome our economic ills. [end recording]

Moreover, Honesimo Pech, the head of the Belize Parliamentary delegation, thanked Gen Arevalo Gardoqui, saying that the Belizean people and government are fully committed to broadening and deepening relations with Mexico. After the breakfast, the Belizean delegation toured the facilities of the National Defense Secretariat. During the tour, they were told about the permanent program to combat drug trafficking and its effects.

DETAILS OF PARASTATE AGENCIES LAW OUTLINED

PA151521 Mexico City XHDF Television Network in Spanish 1955 GMT 14 May 86

[Text] The official gazette today published the federal law for parastate agencies. The law regulates the organization, operation, and control of these agencies. Affected by this law are strategic sectors including those mentioned in Paragraph 4 of Article 28 of the Mexican Constitution. The Finance and Public Credit and Programing and Budget Secretariats will be represented at government agencies and technical committees of parastate agencies. In these committees, other agencies related to parastate agencies will also participate. Parastate agencies must give information and data as required by state secretariats and administrative departments through sector coordinating sections, the Programing and Budget and Finance and Public Credit Secretariats, and the General Comptroller's Office.

The Programing and Budget Secretariat will publish, in the official gazette of the federation and on a yearly basis, a list of the parastate agencies that are a part of the federal public administration. It has also been set forth that when some decentralized agency ceases to be profitable for the national economy or public interest, the Programing and Budget Secretariat will propose the dissolution, liquidation, or extinction of said agency. The Secretariat will also determine whether such agency [words indistinct] can increase efficiency and productivity.

The decentralized agencies will be managed by a government organization and a director general who will be appointed by the president of the republic. When an agency in which the state participation constitutes a majority fails to fulfill its national interest objectives or proves economically unprofitable, the Programing and Budget Secretariat will propose its sale, dissolution, or liquidation. Parastate agencies must be subject to planning law, the national development plan, sector programs, and expenses and financing allotments authorized on an institutional short-, medium-, and long-term basis. This law will be put into effect tomorrow.

FINANCE SECRETARIAT REPORTS ON FLIGHT OF CAPITAL

PA151922 Mexico City XEW Television Network in Spanish 1300 GMT 15 May 86

[Text] The Secretariat of Finance and Public Credit has reported that the flight of capital from Mexico reached $6.8 billion between 1983 and 1985. In an extensive report based on studies conducted by the Bank of Mexico, the Finance Secretariat stated that reports issued abroad regarding the flight of capital have been exaggerated and do not correspond to reality. The Finance Secretariat admitted that the flight of capital has been a serious problem during the past 36 months; however, it added that this phenomenon has been gradually corrected.

The document clarifies that there are not statistics to determine the exact amount of capital that has been sent abroad. It added that the figures reported by the IMF concerning Mexican deposits in foreign banks have been inflated, as this institution includes the interest accumulated during the investment periods.

GOZAINE SAYS U.S. CONGRESS 'SOMEWHAT CONFUSED'

PA151548 Panama City ACAN in Spanish 2239 GMT 14 May 86

[Text] Panama City, 14 May (ACAN-EFE) -- The president of Panama's Legislative Assembly said today that the U.S. Congress "is somewhat confused" concerning the reality in this country, which has a policy that is "completely different" from that in other nations in the area. Camilo Gozaine protested on behalf of the Assembly for the hearings being held by U.S. Congress committees to analyze the Panamanian case, because this is considered as an "intervention in the country's internal affairs."

Gozaine told ACAN-EFE: "The U.S. Congress is somewhat confused concerning the national reality in Panama." "The Panamanian policies and the democracy we have here are completely different from those of other countries in the area," he added.

The Legislative Assembly president said that "the Panamanian citizen is a completely different person concerning his organization, and needs a government which is totally different from the other government in the area, even in Latin America."

"The Panamanian citizen is so disorganized, administratively speaking and in his public life, that he needs a strong hand to guide him," Camilo Gonzaine added. He said that when talking about a "strong hand," he is referring to "the military sector and a civilian government which feels the support of the official political sector and the Defense Forces."

The political system and the military sector in Panama were recently criticized during several hearings of U.S. congressional committee, particularly the U.S. Senate Subcommittee for Western Hemisphere Affairs, which is presided over by Senator Jesse Helms.

Gozaine added: "The Legislative Assembly of Panama wants to state its protest for what we consider is an intervention in the internal affairs of the Republic of Panama, since only the Panamanian people have this right, and this must not be criticized in any secret meeting by any U.S. Senate committee."

Gozaine, a member of the majority Revolutionary Democratic Party (PRD), stated that during the regime of Omar Torrijos, who died in 1981, the Panamanian leader had institutionalized "internal and external patrolling," but it has not been possible to continue with this patrolling during the last 3 years due to "internal problems."

"The United States' ideas, particularly those of the U.S. Senate, are confused concerning the Panamanian reality, and this is used by certain groups of Panamanians who see their private interests being threatened," Gonzaine added.

Political and military authorities in Panama have recently reported several opposition campaigns aimed against the government's stability and against the Defense Forces (Army and police).

Gozaine said: "The Legilsative Assembly will support the Defense Forces' peace efforts to the last man. We think that this is the only organization in Panama which defends the Panamanians' rights without question, and without neglecting the country's security."

ABADIA TRAVELS TO PERU TO INVITE GARCIA TO VISIT

PA141911 Panama City Domestic Service in Spanish 1748 GMT 14 May 86

[Text] At the personal request of Panamanian President Eric Arturo Delvalle, Panamanian Foreign Minister Jorge Abadia leaves for Peru today to formally invite Peruvian President Alan Garcia to visit Panama soon. Referring to his mission to Peru, Foreign Minister Abadia said:

[Begin recording] At the inauguration of President Arias Sanchez in Costa Rica, President Delvalle, President Garcia, Peruvian Foreign Minister Alan Wagner, and myself met to conclude the details of President Garcia's visit to Panama. President Garcia said he was very pleased and happy about the way that we are planning his visit. He agreed that we should visit Peru as soon as possible. We want to take to President Garcia a message of affection and support from the Panamanian people in view of the hard task that the Latin American presidents have in the current difficult moments. In the San Jose meeting, it was decided that the Panamanian foreign minister would go to Lima this week to personally present the official invitation from President Delvalle to President Garcia. We will do so. We will draw up the agenda that Presidents Garcia and Delvalle will follow in the meeting in Panama. They will logically discuss the topics of Contadora and drug trafficking. They will discuss the means to struggle against that invisible enemy which is terrorism. They will seek a more efficient and rapid means to achieve frequent communications among the Latin American presidents so that we can share our problems and logically, also share our experiences and solutions.

[Question] [Words indistinct] meeting of Esquipulas [words indistinct]?

[Abadia] The Esquipulas meeting is one more step for Central American peace. The participants in the Esquipulas meeting on 24 and 25 May will analyze the possible results of that meeting [of Garcia and Delvalle] and they will essentially discuss the summit of Latin American presidents that was proposed by President Garcia at his inauguration. As you know, President Delvalle has warmly and strongly welcomed and supported this proposal. That is one of the topics that will be discussed during our visit to Lima.

APEDE REJECTS NEGOTIATIONS ON BANKING SECRECY

PA152232 Panama City LA ESTRELLA DE PANAMA in Spanish 15 May 86 pp 1, A-18

[Report by Cesar E. Gomez Marin]

[Excerpts] The Panamanian Association of Business Executives (APEDE) agreed with the three speakers who discussed "Panamanian banking secrecy" at an APEDE meeting held last night. They held that banking secrecy is necessary and beneficial for the Panamanian community in order to maintain the advantages the country offers to international banks, and to consolidate the Panamanian Banking Center, which effectively contributes to the economy and the well-being of the country and of nearly 9,000 families.

At the end of the monthy APEDE meeting at the Holiday Inn 2 nights ago, where the speakers were Paul Smith Alegre, president of the Panama Banking Association; Tomas Herrera Diaz, lawyer and expert on banking disciplines; and Werner P. Luthi, the president of the Union Bank of Switzerland, the APEDE members decided to send a telegram to Dominador "Kaiser" Bazan, the Panamanian ambassador in Washington, stating that Panama believes that "banking secrecy" is vital to the interests of its banking center and beneficial for the national community, and that Panama is not willing to negotiate on this subject with the United States or any other country.

The APEDE members' decision stems from statements made by Ambassador Bazan and published in the MIAMI HERALD 2 days ago to the effect that in the near future, Panama will be willing to initiate negotiations with the United States about sharing banking information.

F-8 ORDERS TO 'ELIMINATE' OPPOSITION LEADERS

PA151854 Panama City QUIUBO GRAFICO in Spanish 15 - 22 March 86 p 5

[By Wilfi Jimenez]

[Excerpts] A dramatic charge was disclosed to QUIUBO by a frightened relative of one of the alleged members of the "F-8" paramilitary group that has taken responsibility for the attack on leader Mauro Zuniga and the beheading of guerrilla Dr Hugo Spadafora and whose trademark appeared on one of the windows of the place in which former President Ardito Barletta returned on the night of his "separation." According to the informant, who naturally requested that this weekly not disclose his identity, his relative, "very frightened," told him that the "F-8" has received orders to "eliminate several opposition leaders including Bobby Eisenmann, Ricardo Arias Calderon, Guillermo Ford, journalists Guillermo Sanchez and Luis DeJanon, and Legislators Marcos Alarcon and Mayin Correa."

The order indicates that the "main priority" is the attack on Bobby Eisanmenn as soon as he returns from the United States, who he is currently finishing journalism studies at Harvard University. According to the informant, "several alternate operations are being planned to carry out the attack."

One of the criminal alternatives of the "F-8" would be a traffic "accident" where the victim would come out seriously injured or "preferably be killed." Another alternative would be to carry out a "popular demonstration" against the "traitors" through which the "house or office of the victim would be invaded." There would then be a physical attack on the victim. Such an attack could be staged against the newspaper LA PRENSA, the Dante stores [owned by Eisenmann], or the Eisenmann residence in the Paitilla neighborhood.

According to our informant, a third terrorist alternative might be a "self-attack" through which a "bomb" would be set off against the victim and then a press campaign would be unleashed to charge that it was a case similar to that of Mauro Zuniga, who the press said had carried out a "self-kidnapping." An intense campaign of the pro-government press, radio, and television would charge that it was "a self-attack by the opposition" which was the result of an "internal struggle" to eliminate a "figure with presidential possibilities." It would be blamed on the Christian Democratic Party, specifically on its leader, Ricardo Arias Calderon, who would be pointed out as the "mastermind" of the attack. "Initially, it had been planned that Eisenmann would be arrested at the airport," the informant added, "but this plan was ruled out because it would directly involve the authorities as in the Spadafora case."

The source said that the current campaign of lies against Eisenmann and other members of the opposition, which includes describing them as "bad Panamanians," is aimed at "making the international public" believe that the attack was the result of "popular anger" and the same time to internally issue a "clear warning" to "those who oppose the process" that "those in power are not willing to give up their power."

REVOCATION OF COMMENTATOR'S LICENSE CRITICIZED

PA122013 Panama City LA PRENSA in Spanish 11 May 86 p 1

["As of Today" column]

[Text] The minister of government and justice has cancelled Miguel Antonio Barnal's radio commentator's license "for life" and fined him 2,500 balboas. The resolution does not provide any legal argument. It does not do so simply because there is no legal reason; instead, this is an arbitrary act by the FDP [Panama Defense Forces]. The FDP feels hounded by international public opinion, which after many years of voluntary or induced blindness, has finally opened its eyes to the reality of this monstrous offspring called the "process." The Panamanians who live "in the insides of the monster," as Marti used to say, have no illusions as to the nature of this process. The Panamanian people have not passed up a single opportunity to express the hatred and contempt that they feel toward the usurpers of power. The Government and Justice Ministry resolution is part of an offensive launched by the regime against all organs of information that do not yield to the garrisons. The objective is very ambitious: destroy freedom of expression in Panama; go back to the unanimity of the first state of the dictatorship; permanently smother the local echo of foreign accusations, in the ingenuously magical belief that when the local charges are stopped, the foreign ones will cease automatically. A vain hope. We isthmians will not change our opinion of the regime just because we are not permitted to express it, nor will we give up struggling against the regime by all possible means within our reach; nor will the free foreign press cease divulging the excesses of the Panamanian militarymen.

Bernal Presents Appeal

PA151643 Panama City LA ESTRELLA DE PANAMA in Spanish 14 May 86 pp 1, A-14

[Text] Yesterday at 1215, Dr Miguel Antonio Bernal presented, through Dr Carlos Ivan Zuniga Guardia -- to whom he has given the power for his defense and representation -- an appeal for the reconsideration of Resolution No.83 dated 9 May 1986, through which Dr Miguel Antonio Bernal is sanctioned with the definitive cancelation of his radio commentator license. The appeal has been presented agaonst resolution No 83 dated 9 May 1986, through which the Government and Justice Ministry definitively ("for life") canceled the license of radio commentator Bernal, director and commentator of the radio program "Alternativa." The license of Bernal -- administrative secretary of the Law School and an attorney -- was issued on 30 August 1982, based on Law No 155 dated 28 May 1962.

According to the statement presented by Dr Bernal in his appeal of reconsideration, Resolution No 83 dated 9 May 1986, which cancels his license definitively, "is illegal and unconstitutional." The appeal presented by Dr Bernal "has the purpose of requesting the revocation of Resolution No 83 before mentioned, because none of the provisions of Law No 155 dated 28 May 1962, presented as a tenet of law, empower the Government and Justice Minister to cancel radio commentator's licenses, and because to charge a person two times for the same 'offense' or misdemeanor and to impose two different sanctions is unconstitutional."

Dr Zuniga has said: "The government and Justice Ministry is empowered to revoke the radio commentator license when there is proof of any violation of Law No. 155, dated 28 May 1962." He adds: "Law No. 155 has no provisions that empower the Government and Justice Ministry to abolish a resolution that grants a radio commentator license. There may be another law that grants such a provision, yet the one presented as a tenet of law does not grant it."

Another fundamental aspect of the appeal for reconsideration presented yesterday -- which was received by Alejandro Moncada, legal adviser of the Government and Justice Ministry, since the minister was attending a Council of Cabinet meeting -- is that: "Chapter II of the law establishes the sanctions that the government and Justice Ministry can impose for violations to Law No. 155. However, neither one of the violations nor the sanctions refer to the radio commentator." Furthermore, the appeal adds, "nowhere in the law invoked as a tenet of law is it established in which cases the radio commentator's license can be terminated. The license is granted for four years, and the Government and Justice Ministry can declare the expiration of the license only at the time it expires, provided the procedure for its extension have not been started." Referring to the preceding point, Dr Zuniga adds: "Therefore, the tenet of law invoked lacks grounds to sustain it."

The attorney warns about Article 32 of the country's political Constitution, which reads: "Article 32: A person can be judged only by competent authority and according to the legal procedure. A person cannot be charged more than once for the same penal, police, or disciplinary charge." He adds: "The Government and Justice Ministry had judged Dr Miguel Antonio Bernal more than once for the same charge."

Another consideration presented in the appeal for reconsideration is that in the second process against Dr Bernal, "the Justice and Government Ministry, political adversary of the accused, did not even bother to hear the accused, process the appeal, or receive and investigate evidence, or allegations, or submit the case to a legal procedure."

After the power of attorney and the appeal for reconsideration had been submitted at the Government and Justice Minister's office, Dr Bernal said that among the actions to be implemented in defense of the freedom of expression is to have a march that will start tomorrow at 1600 which will depart from Don Bosco Church. The march will end at Santa Ana Park, where a meeting will be held. Also, the Committee for the Defense of the Freedom of Expression, against the cancellation of the program "Alternativa," which was created on Monday night, has decided to organize the collection of the "penny of dignity, in case the fine is maintained."

Another one of the activities to be carried out by the teachers is to explain to the students the importance of defending the freedom of expression. On 22 May a huge march in defense of the freedom of expression will be held, which will depart from the Republic of Venezuela School at 1600. Another action is a dinner of amends to the radio commentator and attorney by the People's Action Party, which will be held at the Interchina Restaurant.

The presentation of the appeal held at the Government and Justice Ministry was attended by, among others, Legislators Simon Quiros y Quiros and Marcos Alarcon from the Authentic Panamanian Party.

DELVALLE MEETS SOVIET, BOLIVIAN OFFICIALS

PA091757 Panama City LA REPUBLICA in Spanish 8 May 86 pp 1, 15

[Report by special correspondent Euclides M. Corro]

[Text] San Jose, 8 May -- Panamanian President Eric Arturo Delvalle met yesterday afternoon for 25 minutes with Arnold Ryuytel, USSR Supreme Soviet Presidium deputy chairman, who mentioned the need to put into effect a 1979 trade agreement. Guillermo Adames, the presidency's press secretary, told newsmen that the Panamanian president told Ryuytel that the agreement must be ratified by the two countries' assemblies before it can be put into effect. Foreign Minister Dr Jorge Abadia Arias accompanied Delvalle during the meeting.

Shortly after this meeting, Delvalle also met with Bolivian Vice President Julio Garrett Aillon. The South American leader expressed, on behalf of his government, total support for Panama as the venue for the summit meeting proposed by Peruvian President Alan Garcia.

Adames told newsmen that President Delvalle responded that our country's position is that this meeting should be held "without hastiness on our part, and this is why we have not yet set a date for it." He added that Panama believes in holding other meetings prior to the summit in order to prepare an agenda that will guarantee the summit's success.

In the evening, President Delvalle and his party attended a reception given by outgoing Costa Rican President Luis Alberto Monge. Delvalle praised Monge's administration, adding that with new president Dr Oscar Arias Sanchez, the fraternal ties between Panama and Costa Rica will be bolstered.

BRIEFS

ALTERNATE AMBASSADOR TO OAS -- Adolfo Arrocha has been appointed alternate ambassador to the OAS and also special ambassador in Washington to cooperate with Ambassador Dominador Bazan in all the activities of that important diplomatic mission. [Summary] [Panama City LA ESTRELLA DE PANAMA in Spanish 15 May 86 p 4 PA]

COSTA RICA

OFFICIALS DISCUSS STATUS OF 'COMMANDER ZERO'

Pastora Faces Arrest

PA151956 San Jose Radio Impacto in Spanish 1830 GMT 15 May 86

[Text] Security Minister Hernan Garron has said that if guerrilla command er Eden Pastora enters the country, he will be arrested. Garron said that a judicial order preventing his entrance in the country is in effect due to his military activities. Security Minister Garron also said that the conditions under which Eden Pastora will abandon his military activities are not yet clear. Nevertheless, he stressed that the government will not permit the entrance of the anti-Sandinist rebel leader.

Trials Possible

PA151552 San Jose Radio Reloj in Spanish 1200 GMT 15 May 86

[Text] Commander Eden Pastora, member of the Democratic Revolutionary Alliance, ARDE, faces obstacles to entering the country. This was said by Government Minister Guido Fernandez. He said that Pastora also faces obstacles for leaving the country because he has to face several trials. The minister said this in commenting on Eden Pastora's immigration status. Minister Fernandez noted that Pastora was expelled from the country several years ago. About whether Pastora could be given political asylum in Costa Rica, the government minister said this decision is up to the Foreign Ministry.

Arias Considers Asylum

PA151808 San Jose Radio Reloj in Spanish 0100 GMT 15 May 86

[Text] President Oscar Arias has said the government will review the request for political asylum that counterrevolutionary leader Eden Pastora is reportedly to present on Friday. He emphasized that our country has traditionally granted political asylum, but said that he would decline to comment until after the request has been received in order to be apprised of its contents.

President Arias said that if Pastora plans to continue the counterrevolutionary struggle, Costa Rica could not allow him to use its territory. The president said that only in the event that he decides to give up military activity and live in the country like any other civilian would his request for asylum be considered. Otherwise, it would have to be rejected because we have a commitment to respect neutrality and to firmly enforce that policy, the president said.

NICARAGUAN DIPLOMAT ARRESTED, RELEASED

PA160043 San Jose LA REPUBLICA in Spanish 10 May 86 p 6A

[Text] Police sources have reported that a high-ranking official of the Nicaraguan Embassy in Costa Rica was arrested on 27 April. The incident was not made public and the authorities have not revealed the reason for the arrest. They said, however, that the diplomat was immediately released without charges because of his diplomatic immunity . The police sources added that the diplomat was arrested while he was inside a vehicle and after he tried to evade the police late at night on 27 April.

FOREIGN MINISTER MADRIGEL OUTLINES POLICY GOALS

PA151744 San Jose LA NACION in Spanish 11 May 86 p 12A

[Report by Elberth Duran H.]

[Excerpts] Increasingly complex and demanding international relations during the past few years have called for a more relevant Costa Rican foreign policy. This is how Foreign Minister Rodrigo Madrigal Nieto views his mission. However, strong internal obstacles in the Foreign Ministry's functioning must be overcome. In order to reinforce changes, we must begin by preparing "the house." In practical terms, in order to break through routine work and dedicate himself to the most important aspects of our foreign policy, the minister will need an efficient and professional foreign service, with the appropriate institutional and material support. Madrigal Nieto will try to make that policy reflect our national policy: "pluralist, based on the understanding of the parties, and on the desire to move ahead," he said.

Regarding his office's priority task, Madrigal immediately replied: to outline a foreign policy that is not merely circumscribed to the Costa Rican-Nicaraguan sphere. On the contrary, he advocates broader government action in that field through diligent work, talent, and perseverence in order to have wider and more dynamic perspectives. An example of that policy is the Latin American democracies in convincing Nicaragua that it must negotiate in good faith and carry out the changes everyone wanted after Somoza's downfall as specificied in the letter presented to the OAS which the Contadora Group has been advocating. In sum, the foreign minister believes that in the specific case of Nicaragua, "friendly political pressure must be created."

Madrigal feels that Costa Rica is not interested in becoming a political force. The peace we want for Central America is not merely the absence of war, he said. "We are not trying to be on top of others, but the others must make an effort themselves." In this respect, he referred to the neutrality aspect. It is consonant with an old national tradition, he said. However, he stressed that in his opinion, the difference between neutrality and nonintervention is almost imperceptible. Former President Monge's proclamation of neutrality will continue to be observed by the recently installed administration. Costa Rica's position which has been in effect since November 1983, was a sound political decision which was adopted at the right time, he said.

Do you believe that there have been significant discrepancies between Oscar Arias Sanchez and Washington? Madrigal answers directly. He said: With somewhat malicious intentions, the press magnified Arias' statement. Some of his statements were distorted, to the extent that they appeared as very serious discrepancies. What really happened is that due to the lack of U.S. support for the contras there are currently political openings, which represent an opportunity for Nicaragua to demonstrate that it negotiates in good faith.

Madrigal admits his ties: I am a friend of the United States, he said, because I believe in the democratic system. I have held different views. This should not be interpreted as permanent submission. We are allies, but we can also discuss our differences tactfully. Friendship is also being able to speak frankly; it is not unconditional.

EL SALVADOR

ERP BATTALION LEADER ON FMLN UNITY, STRATEGY

PA151601 San Salvador Radio Cadena YSU in Spanish 1800 GMT 14 May 86

[Report by Carlos Mario Marquez]

[Text] Coprefa today presented Nelson Omar Guerra, known as Ernesto within the ranks of the People's Revolutionary Army [ERP]. From June 1984 to 23 January 1986, Nelson Omar was second in the political-military command of the ERP's Heroes of Cutumay Camones Battalion. According to a Coprefa communique released today, Ernesto participated in an attack, with 102-mm mortars, against the San Carlos Garrison in June 1980. He also participated in a similar attack on the U.S. Embassy in August 1980. The official communique also states that in November 1980, Ernesto participated in an attack on the Salvadoran Air Force. Homemade 102-mm mortars were used in the attack. He also participated in other attacks like the attack on El Zapote Garrison and the attack on the Salvadoran Air Force on 23 January 1982. According to Ernesto, he attended a 5-month special training course in Cuba and a general training course on explosives in Managua, Nicaragua.

When speaking of the role of the FMLN General Command and the division within this group, Commander Ernesto said:

[Begin recording] [Guerra] [Joaquin] Villalobos is the strategist, the General Command's ideologist. However, for political reasons this will not occur. [sentence as heard] Within the FMLN General Command there are problems. We see the case of Commander Ferman Cienfuegos. In late 1983 a meeting was held in Morazan. It was attended by Shafik Jorge Handal, Roberto Roca, Leonel Gonzalez, and Commander Villalobos; however, Ferman Cienfuegos did not attend the meeting. Why? Because at that time the National Resistance, the organization presented by Ferman Cienfuegos, was experiencing ideological wear and tear among its members. Purges were being carried out and mass desertions were experienced. People were afraid and there was even some corruption. Joaquin Villalobos strongly criticized this corruption and Ferman Cienfuegos did not like this. Not attending the meeting was a way to show his feelings. However, something like this will never be reported in a General Command communique. They will try to prove that the unity process is still strong, but this is not true. We also have the case of Commander Roberto Roca. Because of his arrogant attitude he was also criticized by Commander Villalobos.

In the last radio reports from Commander Villalobos I heard before leaving the front, he spoke of the process of unity. He spoke of the process of unity as an important factor to win the war. However, we must also be clear that not all the organizations, not all those who are up in arms, are ready for this. Therefore, bilateral consessions must be made with those organizations that feel and believe the way we do, in this case, the ERP.

[Unidentified reporter] [Words indistinct] military experience, a real chance of the guerrillas to win the armed struggle?

[Guerra] From a military standpoint, there is no longer such a chance. However, there is another factor. The idea of sabotage is to bring about a political defeat. They want to force the economy to crumble so that this can unleash a political crisis. We must realize that Villalobos' strategy is not only based on fighting the enemy. We see the destruction caused by the mines. In the past, mines were used on the war fronts.

Today mines are planted along the roads that were formerly covered by the fighters. Why? Villalobos feels that forces must be accumulated and protected. Right now he is trying to protect the largest possible number of forces, accumulate those forces for the right moment, because at this moment they do not have a chance.

[Question indistinct]

[Guerra] Very high. I will use the ANC [National Peasant Association] as an example. In 1984 the FMLN used the ANC to unite the country's political forces, all those sectors struggling for their demands. They united these forces within the ANC so that they could wage the political battle against the government and to pressure the government into fulfilling their demands. If on top of this the FMLN continues to sabotage the economy, the government will not be able to meet the demands of the people. It is then that the political activists begin to work. [end recording]

These were statements made by Commander Ernesto, who added that the situation in the country since 1979 has changed and that the Army has advanced economically and militarily and is currently ahead in the war. Commander Ernesto also mentioned several sectors of the Catholic Church which have direct ties with the FMLN. Commander Ernesto also said that the demands for dialogue being made by the FDR and the FMLN are no longer valid.

DEPUTY MINISTER ON REBEL DISUNITY, DIALOGUE

PA151844 Panama City ACAN in Spanish 2322 GMT 14 May 86

[By Francisco Elias Valencia]

[Excerpts] San Salvador, 14 May (ACAN-EFE) -- A high-ranking Salvadoran official today said that radical sectors of the guerrillas are hindering the continuation of the dialogue for peace suspended in November 1984. Deputy Communications Minister Roberto Edmundo Viera told ACAN-EFE that "as long as there is no unity among the guerrilla groups and as long as the more radical groups control the leadership sector, a sincere dialogue will be impossible." Viera explained that there is a power struggle within the FDR-FMLN and it would seem that "the more radical groups have taken control of the decisionmaking process of the guerrillas."

The high-ranking official said that during a news conference held in mid-1985 in a guerrilla-controlled zone in the eastern Morazan Department, Commander Joaquin Villalobos, leader of the People's Revolutionary Army (ERP), and Shafik Jorge Handal, of the Communist Party of El Salvador, appeared to be the strong men. "Joaquin Villalobos," Viera added, "did not show up at the meeting in La Palma on 15 October 1984 or at the second meeting in Ayagualo on 30 November 1984. At this second meeting the military sector of the guerrillas adopted a very hard stance, an attitude that created an impasse in the continuity of the dialogue," Viera stressed.

The official reiterated that his government is willing to resume the talks as long as these are aimed at obtaining specific results and not "at creating a publicity show." "For this reason we met in Lima," he explained, "so that the two parties could explore, the opportunities the guerrillas could have should they join the democratic process."

According to the deputy minister, the amnesty announced by Salvadoran President Jose Napoleon Duarte on Sunday in Lima came in response to Peruvian President Alan Garcia's suggestion that some rebels who visited that South American country had expressed their willingness to put down their weapons and join the legal struggle. However, the guerrillas denied this and reiterated that they will not put down "a single rifle before or after an agreement for the solution of the conflict is reached."

According to the deputy communications minister, the guerrillas' answer "is further proof that while the moderate sectors of the guerrillas are willing to join the 'democratic process' of the government, those who abide by the hard line oppose it." "This also means that within the FMLN and the FDR there is no unity, and this hinders advancement in the negotiations," the deputy minister added. In conclusion, Viera said that the government continues to analyze the possibilities of continuing the private meetings abroad with the guerrillas in search for a solution to the war.

FDR'S RUBEN ZAMORA COMMENTS ON LIMA TALKS

PA160305 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 15 May 86

[Interview with Ruben Zamora, secretary general of the FDR, by unidentified reporter; date and place not given -- passages within quotation marks recorded]

[Text] [Reporter] What were the objectives sought during the meeting held in Lima between FDR parties and the Christian Democratic Party [PDC]?

[Zamora] "From the FDR point of view, this meeting in Lima was aimed at trying to exert pressure for a resumption of the dialogue for a political solution in El Salvador. As you know, for the past 17 months, the government of Napoleon Duarte has systematically refused to continue the dialogue that we started in La Palma and Ayagualo. It is within this framework of a constant effort on the part of the FDR-FMLN to resume the dialogue, thus responding for our people's demand, that we talked with President Alan Garcia in November 1985. The initiative to promote a meeting between the FDR parties and the PDC was the result of these talks. It took three delegations sent by President Garcia to El Salvador to exert pressure on the PDC for them to finally agree to attend the meeting. [Words indistinct] to the FDR and the FMLN also, the reason for the meeting was to seek a way to resume the dialogue."

[Reporter] What were the results of that meeting?

[Zamora] "The results, well, since it was a meeting between political parties, cannot have the nature of a resolution. However, the results of this meeting will depend on the developments of the coming weeks. In other words, the FDR parties, as well as those of the PDC, agreed to analyze a proposal for the mechanisms [of the dialogue] which was presented by the FDR at that meeting. It will depend on the results of this analysis, which will be reported to the intermediary of the dialogue, Msgr Rivera y Damas. Meanwhile, we, the FMLN-FDR, are discussing this and have already agreed to meet soon with Msgr Rivera y Damas to officially tell him of the FDR-FMLN position."

[Reporter] Do you feel that the PDC is serious about the dialogue?

[Zamora] "I think that in the first place we must be cautious about judging the intentions of another party in order not to fall, into the cheap excuse used by Napoleon Duarte not to continue the dialogue. He claims that the FMLN-FDR have intentions which he cannot confirm. However, regarding your question, we can judge the facts: namely, that which occurred after the Lima meeting. In Lima the PDC secretary general told the press that he did not know anything about the meeting. That is completely false because we can attest to the fact that the three times Peruvian Government delegates went to talk with the PDC on this topic, they talked with Antonio Morales Erhlich; in other words, he lied to the press. Secondly, Duarte told foreign reporters that there was no such meeting between the FDR and the PDC. Instead, he said, it was a social Christian forum held in Peru. This was another lie to the media. So, all we have to do is issue a judgement in the face of these incidents. I believe that all Salvadorans must ask: How can the PDC be serious about the dialogue when they lie so boldly to the public? It gives the impression then, that the PDC went to Lima not really to try to make the dialogue advance, but simply to get rid of the strong pressure being put on it in favor of a politically negotiated solution, not only by the international community but by all sectors of the Salvadoran nation. But after we've read all these statements of the PDC gentlemen, we feel that they are approaching the dialogue without the responsibility and seriousness they should have."

[Reporter] Duarte said that Peruvian President Alan Garcia told him that there was an FMLN sector willing to give up the weapons and that the FDR was willing to participate in the democratization process. Your opinion on this remark by President Duarte?

[Zamora] "These remarks by Duarte in Peru are completely irresponsible. In the first place, the FMLN-FDR know that in our talks with President Garcia we never said that. On the contrary, we explained to President Garcia, in detail, the firm decision of our organizations to fight until we have a free fatherland. We also explained to him the unity of the FMLN-FDR and told him that despite all the efforts made by U.S. imperialism and Duarte's government to divide us, on the contrary, [words indistinct] unite us even more. So, I don't believe that President Garcia told Duarte such a thing. It is simply that Duarte, who knows that he has no credibility with the international and national public, is trying to use the credibility that another Latin American president has to say what he wants to say. In this regard, we believe that Duarte's remarks, which are so irresponsible; will wind up hurting Duarte himself and his government because what we are going to do, immediately, is to send to President Garcia the text of Duarte's statements."

[Reporter] What attitude do you think the popular movement should adopt in response to the government's position?

[Zamora] "We believe that two points should be made. The first is that if the PDC was forced to go to the meeting in Lima, it was basically due to pressures from several popular and social sectors in the country working in favor of a dialogue and a political solution. During the past months the number of protests by several social sectors seeking a political, negotiated solution has increased. The Christian Democrats know that by refusing to participate in a dialogue they become increasingly [word indistinct]. It seems to me that in the first place we should intensify our pressure, our struggle in favor of peace with justice and dignity by way of a dialogue. A dialogue is the proper path, and it is the one that demonstrates to us that the government must adopt measures, even when the government itself (?later contradicts them).

"In the second place, in response to the publicity campaign carried out by Napoleon Durate's government, the people should have a (?simple), realistic attitude. They should be aware of the fact that the PDC is trying to cover up its own conflicts, its own (?hesitation), and the internal problems caused by the dialogue in its relations with the U.S. Embassy, with sectors of the Armed Forces, with the extreme right wing. It is trying to cover up all of these conflicts and make it seem as if it is the other side, that is the popular movement, that is divided between those willing to hold a dialogue and those who are not. I believe we should be calm and cool and go forward. It has been continually demonstrated in El Salvador that to pressure and promote the struggle for peace with justice and dignity for the people is the correct path; it is the path that will really lead to that peace we all want."

COMMENTARY ON DUARTE STATEMENTS IN PERU

PA141601 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 13 May 86

[Station commentary]

[Text] Anyone would think President Duarte is insane. No one, however, would suspect Duarte of being a clever politician, much less a brilliant one. In Lima, the Peruvian capital, [words indistinct], Duarte made statements that are not new to us because we Salvadorans are very familiar with Duarte's style of bragging and lying. Duarte said in Peru that he is willing to grant amnesty to FMLN combatants provided the organization shows willingness to lay down its weapons. Duarte's boasting is for propaganda purposes that are far removed from the reality that his regime is experiencing. First of all, the FMLN does not have the slightest intention or the need to lay down its weapons. We are like we are and are what we are for historical reasons. Puppet Duarte said he is willing to give us a chance to lay down our weapons provided we admit that the way of arms is not a genuine way to seek power.

Beyond Duarte's foolishness, it is worthwhile to recall the statement of principles about dialogue and the search for a political solution that the FMLN announced to the world in November. This document, made up of 16 principles, clearly said that in the dialogue process, the two parties can expect neither surrender nor unilateral disarmament from each other. Considering that the Armed Forces are unable to defeat us in battle, it is entirely unrealistic to think Duarte could achieve the disarmament and surrender of the FMLN. We are in a political and military position to [words indistinct] either of the two proposals. We are in far better shape than we were 16 years ago when we started our armed struggle as the only alternative after the other means of political pressure by the people were ruled out. Among the causes for the FMLN's pride as the people's historical vanguard is the FMLN's identification with, representation of, and defense of all the people's aspirations and desires for independence and sovereignty. No one can tell the FMLN what it should do, not the arrogant and aggressive imperialism, despite all its military technology, much less its roving ambassador Jose Napoleon Durate.

We understand that the Christian Democrat president has already applied amnesty in El Salvador. This amnesty benefitted a group of kidnappers and drug traffickers of the sort of Colonels Joaquin Sacasa and Roberto Mauricio Staben, among other monsters. Finally, Duarte's stance during his tour through South America does not contribute toward making conditions any better for dialogue and a peaceful solution in El Salvador.

Far from this, Duarte's statements are aimed at raising new obstacles and mocking the Salvadoran people's hopes for peace. It is worthwile to recall that the regime's situation is one of growing crisis and cracks and that the Christian Democrat government remains standing solely because of the force of the arms that the Yankee government so generously delivers. The FMLN is getting stronger everywhere and enjoys the support of all the people and increasing international recognition. With its victorious prospects, the FMLN has ensured the future [words indistinct].

GUATEMALA

DEFENSE MINISTER OUTLINES REBEL ACTIVITIES

PA151457 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 15 May 86

[Text] The national defense minister has described three separate sectors where counter insurgency operations are being carried out. National Defense Minister General Jaime Hernandez Mendez outlined a diagram, for the reporters' information, which includes the guerrilla operations carried out in different sectors of our national territory. He mentioned subversive commando groups such as the FAR [Rebel Armed Forces], ORPA [Revolutionary Organization of the People in Arms], EGP [People's Guerrilla Army], PGT [Guatemalan Labor Party], and other clandestine organizations whose operations are aimed against the Guatemalan Government, Army, and rural population in the country.

The Guatemalan Army has described, for the first time, the guerrilla actions which are being countered. Standing before a map of Guatemala during a news conference, the national defense minister showed the points where the counterinsurgency operations are being carried out, including armed clashes. Gen Hernandez Mendez mentioned the names of the guerrilla commandos and their locations. The FAR have three fronts: Lucio Ramirez Front, Raul Orantes Front, and Argueta Front, in El Peten Department. The ORPA operates in San Marcos Department with its fronts: Manuel Tambriz Front, Luis Ixmata Front, and Javier Tambriz Front, in Suchitepequez jurisdiction.

The national defense minister mentioned the EGP during his news conference and said it operates in the central sector of Guatemala, with the Ho Chi Minh Brigade, Marco Antonio Yon Sosa Brigade, and 13 November Brigade. In addition, the PGT actions are being carried out in Izabal, Quezaltenango, and part of San Marcos. The Guatemalan Army has clashed with all these factions; both positive and negative results have been obtained, because some casualties have been sustained by the troops, it was stated by the national defense minister.

QUINONEZ ON BELIZE ISSUE, U.S. MILITARY AID

PA152132 Guatemala City PRENSA LIBRE in Spanish 15 May 86 p 2

[Text] Foreign Minister Mario Quinonez Amezquita yesterday ruled out the possibility of holding a referendum on the resumption of diplomatic relations with the United Kingdom, stating that it would be too costly for the country. Interviewed on this and other topics, Quinonez said that Guatemala will maintain its claim over Belize, and that studies will have to be conducted in order to determine what aspects can really be negotiated with the British.

In this respect, he issued an invitation to professionals, labor unions, political organizations, universities, etc., "who can give important viewpoints on whether or not it would be advisable to resume talks with the British authorities."

Quinonez Amazquita stressed the need to talk frankly with the "URGE Belize" [Union for Guatemalan Recovery of Belize] organization, which has maintained a consistently patriotic attitude concerning the dispute over that territory, which recently joined the OAS. Among other actions to be carried out in order to maintain a positive attitude with regard to the territorial dispute, Foreign Minister Quinonez Amazquita said that the special offices in charge of the Belizean problem, created more than 2 decades ago, will be reactivated.

Regarding military assistance, the Guatemalan foreign minister said that the request "was made long ago," and that the president of the republic, as commander in chief of the Armed Forces, will decide whether to ask for it or not. The request was made several years ago, but the U.S. Congress has not granted it, under the premise of [Guatemala's constant violations of human rights.

HONDURAS

AZCONA PRESENTS ECONOMIC PLAN TO COHEP

PA152304 Tegucigalpa Cadena Audio-Video in Spanish 1130 GMT 15 May 86

[Text] Yesterday morning, Honduran President Jose Azcona Hoyo, accompanied by his closest aides, arrived unexpectedly at the headquarters of the Honduran Council of Private Enterprise, COHEP, to present COHEP directors with a government plan that will be applied over the next 2 years. For over 2 hours Azcona, who was accompanied by presidential designate Jaime Rosenthal Oliva and several members of the economic cabinet, explained the plan of action that he is about to implement, and that he will present to the U.S. Government during his visit to Washington at the end of the month.

The plan, which is called the Honduran Government Economic Program: Program and Timetable of Structural Reforms, contains 29 points for immediate implementation, including a very important one: the transfer (to?) the private sector of several institutions, including the Olancho Forestry and Industrial Corporation. Similarly, the cement industry and other state enterprises will soon be controlled by national investors, who will impart a new dynamism to them. The document also specifies that the national budget of the republic and the budgets of the country's autonomous institutions will be structured differently.

Regarding the autonomous institutions, a watchdog action plan will be designed. In addition, the development of the decentralized sector will be evaluated every 3 months. According to the Honduran president, there will be annual audits. In addition, the municipalities' tax base will be expanded in order to relieve municipal corporations of economic strangulation.

President Azcona said that in 1987, several laws will go into effect, including a customs appraisal law, and the introduction of a tariff with specific rates and values to promote national investment. Similarly, Azcona said that beginning next year, tolls will be charged on all the country's improved roads, and all the other points of the plan that are vital to spur national industrialization will also be implemented then.

NICARAGUA

AMBASSADOR TO PERU CITED ON CONTADORA DOCUMENT

PA151640 Managua Radio Sandino in Spanish 1200 GMT 15 May 86

[Text] The Nicaraguan Embassy in Peru last night reiterated that no peace document will be signed unless the Reagan government completely suspends the aggression against our country. Nicaraguan Ambassador Mauricio Cuadra thus reacted to remarks by Panamanian Foreign Minister Jorge Abadia Arias who, upon his arrival in Peru yesterday, said that Nicaragua had promised in a written statement to sign the Contadora document. Cuadra said that Nicaragua is always willing to sign the document as long as the United States suspends its aggresion against Nicaragua and promises to respect Nicaragua's sovereignty and territorial integrity.

CONTRAS' PLANS TO ATTACK NORTHERN CITIES REPORTED

PA151430 Panama City ACAN in Spanish 0217 GMT 15 May 86

[By Denis Garcia Salinas]

[Excerpts] El Cua, Nicaragua, 14 May (ACAN-EFE) -- A senior Sandinist military officer charged today that the rebel forces plan to destroy the military school in Mulukuku, sabotage certain production centers, and attack two important cities in northern Nicaragua.

First, the anti-Sandinist commandos plan to completely destroy the military school in Mulukuku, which is the largest military training center, located 140 km from Matagalpa, north of the capital. The rebels' strategy consists of demolishing the school at Mulukuku and then attacking the two leading cities of Matagalpa and Jinotega, said Deputy Commander Sergio Lira, military commander of that region.

With the discussions on approval of the $100 million for the contras in the U.S. Senate 2 weeks away, the kidnappings and ambushes in the country's northern region have increased noticeably. Lira revealed the contras' plan yesterday, when local and foreign newsmen and military personnel visited the township of El Cua, 230 km from Managua. The Sandinists have laid a military cordon around the town covering approximately 800 km. The military presence is visible from the Jinotega to El Cua.

The terrain is rocky and mountainous all the way from Matagalpa to El Cua, which are about 80 km apart. Newsmen could see many Sandinist observation posts and, quite often, groups of armed soldiers walking along the road. The Sandinists have mobilized a large number of troops to prevent the rebels from attacking the towns of Aguasu, Santa Rosa de Tapascun, Platanos, La Pavona, La Amazona, Guapinol, Plantel, Santa Helena, Los Limones, Bramadero, La Concordia, Yali, and Kilali.

Other areas attacked by the rebels are, according to the senior Sandinist officer, San Rafael del Norte, El Aserrio of Pantasma, Aguas Calientes, La Sompopera, Planes de Vidal, El Tigre, Aguas Frias, La Pita del Carme, Bocay, Waslala, and El Cua. All of these towns are located in the mountains of Jinotega and Matagalpa and another area bordering on Zelaya Norte.

Two Sandinist battalions yesterday gave chase to approximately 180 rebels who set fire to the observation post at La Sorpresa, 58 km from Matagalpa, and kidnapped a peasant woman and her six children.

In addition, the peasants told ACAN-EFE that the counterrevolutionaries killed a Sandinist soldier, but authorities in the region did not confirm it. On 12 May, four clashes took place near El Cano del la Cruz and El Galope, north of Matagalpa, but the results are unknown.

Peasant sources said that despite the heavy Sandinist surveillance, the situation in the country's northern region is still somewhat unstable and dangerous because they fear the rebels "will attack unexpectedly." "According to Lira, many peasants are tired of this war, which is promoted by the Reagan administration, because it does not allow them to work in peace.

CONTRA GROUPS TIES CEASE-FIRE TO CONTADORA

FDN Spokesman

PA152248 Paris AFP in Spanish 2152 GMT 15 May 86

[Text] Tegucigalpa, 15 May (AFP) -- The FDN "will cease its struggle" if the Sandinist government signs the Contadora document and makes good its commitments, an FDN leader said today. Nevertheless, Carlos Rodolfo Icaza, who is in charge of human rights training for FDN, said that "the United States will not suspend" its aid for the counterrevolutionaries as long as Nicaragua fails to abide by the document's commitments.

In statements for AFP, Icaza said that if Managua signs the document and obeys it, "we will not request more aid because we want to democratize Nicaragua and there would be no further reason to continue to struggle." "The FDN does not want to fight. We have been forced to." Icaza, however, doubts that the Sandinists will make good the Contadora commitments even if they sign the document "because they have shown that they do not fulfill their pledges." He recalled that the FSLN pledged at the OAS to respect human rights and the freedom of press and religion and foster a mixed economy, yet "it failed to comply."

Icaza said that he was the first adviser of the Nicaraguan Junta of National Reconstruction after the fall of Somoza in July 1979. He resigned the post in October of the same year. "Because I could not struggle in a patriotic way in Nicaragua, I sought asylum in Venezuela. I was later charged with being a CIA agent.

UNO's Robelo

PA160110 San Jose LA REPUBLICA in Spanish 10 May 86 p 4a

[Text] The Nicaraguan Opposition Union (UNO) holds the view that the civil war in Nicaragua will end the moment the Contadora peace document is signed in June. Opposition leader Alfonso Robelo, who is a member of the UNO national board, has expressed hopes that the Sandinist government will sign the document because otherwise "we would be again serving the totalitarians who are governing Nicaragua."

"We feel that the civil war in Nicaragua will end the minute the Contadora document is signed and its contents are implemented and fully complied with. That is the reason for our faith and hope that the war will come to an end," Robelo stressed

"We fully concur with the position of President Oscar Arias, which we found very wise, that it is important to set a concrete deadline to consolidate, implement, and ratify the Contadora document, because otherwise we would be again serving the totalitarians who are governing Nicaragua, [giving] them the time they need to consolidate their regime fully," he said in conclusion.

VIOLETA CHAMORRO ON CONTADORA'S DOMESTIC EFFECTS

PA151805 San Jose LA NACION in Spanish 8 May 86 p 15A

[Text of letter of Mrs Violeta Chamorro Barrios to LA NACION Director Eduardo Ulibarri -- no date given]

[Text] Dear Mr Ulibarri:

Given the press censorship which my country continues to suffer under the nine Sandinist commanders' dictatorship, I wish to avail myself of the newspaper LA NACION's solidarity with the cause of liberty and democracy, and request the publication of this letter during the days when Costa Rica rejoices with the inauguration of Dr Oscar Arias Sanchez, who was democratically elected, and the visit of important democratic leaders from Latin America and Europe.

My message represents the idea of LA PRENSA and the majority in my country, who are silenced by a Marxist-Leninist dictatorship and the Contadora Group's lack of attention to the Nicaraguan people's viewpoints, even though our rights are being violated. We know that the future is ours. We are clearly aware that the road to peace has reached its last and most decisive crossroads: Either Nicaragua signs the Contadora document for peace or else Contadora includes its noble efforts in a failure which would be shared by all Latin America. We believe that the document is intended to achieve peace, but peace has two terms which are substantially united: the external term and the internal term.

The external term, which is apparently the one that has nothing but the reflection and echo of an internal lack of balance. This is proved by the people's discontent, immigration, and exile, and helps strengthen the subversion and war waged by those who seek with weapons that they cannot achieve through peaceful means. The FSLN has abused its power to benefit its party, and crushed -- by every means within its power -- any party, group, or person which states its independence or a different idea. Every demand for a democratic participation in the development of Nicaragua's destiny has been rejected, even with threats and the use of force.

Only the FSLN has rights and guarantees in Nicaragua. However, peace begins by returning these rights to the people, their rightful owners; relinquishing power; coexisting in a civilized way; and enforcing democracy, the only system which makes government-opposition relations possible and guarantees something which is essential to man, particularly the Nicaraguan man: freedom. Peace will never be possible if freedom is not achieved first.

Democratic Nicaraguans believe that the Contadora document must give the same importance to demilitarization and democratization; it must give the same importance to the expulsion of foreign advisers and the public rights of oppressed people.

If the Contadora document is signed and all its points -- regarding both internal and external matters -- are fulfilled, we will have achieved peace and a new life for Nicaragua. This would represent a total change.

We would achieve the Republic of Nicaragua for which my husband, Pedro Joaquin Chamorro Cardenal, died. This would be the free homeland that is not achieved by a war, only with a dialogue. It is not achieved with slaughter, only with democracy.

If, on the contrary, the act is not signed by FSLN -- or if it is signed by but not fulfilled by the FSLN -- Nicaragua will continue to be destroyed, our youths will continue to die, and the danger of an armed confrontation will increase in Central America, and the culprits will be not only the nine commanders but all Latin America.

Thank you, Mr Ulibarri
Truly yours,
Violeta Chamorro Barrios.

CONTRAS DISCUSS ROLE FOR PASTORA, FOLLOWERS

Link to Sandinists Denied

PA160104 Madrid EFE in Spanish 2250 GMT 15 May 86

[Text] Los Angeles, (California) 15 May (EFE) -- The announced request for political asylum by Nicaraguan rebel leader Eden Patora (Commander Zero), "does not mean that there is a rapprochement with the Managua regime." Today, representatives of ARDE, the group to which Pastora belongs, made that announcement in this city.

"Any attempt to depict his request for political asylum in Costa Rica as a rapprochement with the totalitarian Managua regime is a big lie," Luciano Cuadra, ARDE's representative in Los Angeles, told EFE. He added: "In no way shall we stop the political offensive; instead we will consolidate that front which, frankly, had been neglected."

Leopoldo Fernandez, another Pastora representative, labelled as "false" rumors of new links between Commander Zero and the Sandinists. He added that those reports "always appear with the intention of tarnishing the commander's image." The two ARDE leaders in exile concurred in warning that the recent withdrawal of seven commanders to join the rebel forces of Fernando "El Negro" Chamorro, does not mean "an exodus of our rebel chiefs." Fernandez added that Pastora had "no other alternative than to let them join Chamorro, because they were unable to adequately continue fighting within our forces." Commander Zero complained that he did not get aid and that his men had to fight barefoot and without weapons or ammunition.

Cuadra stated that "This new step does not means that ARDE is breaking up," and he reported that last week ARDE formed two new delegations in the United States -- in La Vegas (Nevada) and in New Mexico -- "Although we already knew about the change in the mode of struggle." "We reserve the right to resume military activities if the right conditions for it emerge," Cuadra said.

Fernandez stated that presently, Commander Zero will wage a political struggle "perhaps similar to the one exile Cuban Commander Huber Matos is waging."

Eden Pastora, who traveled to Southern California three times in the past 5 months seeking aid for his troops, will hold a press conference tomorrow to announce his withdrawal from the Nicaraguan mountains. He will turn over 500 of his men to the Red Cross at four different points along the border with Costa Rica. Also, he will ask the Red Cross to help remove other guerrillas fighting in the interior of Nicaragua.

Pastora's Future Considered

PA151812 San Jose Radio Reloj in Spanish 0100 GMT 15 May 86

[Excerpt] In the wake of the announcement of ARDE military leader Eden Pastora's withdrawal the signing of the Contadora document would bind him to a promise. ARDE spokesman Miguel Caracas has said that if the Contadora document is signed on 6 June, Eden Pastora would engage in a civic struggle inside Nicaragua. Moreover, he said that Pastora would consult with his military branch, the Sandino Revolutionary Front, in order to learn his men's decision in this regard.

As for political asylum, the Costa Rican Government enjoys prestige because of the international agreements it has signed and because it has welcome people of different ideologies. If the Costa Rican Government were to reject Eden Pastora's request for political asylum , it is hoped that he has the means to relocate in another country, because to return to Nicaragua would mean his death sentence, Caracas said.

Loyalists Entreated

PA1610130 Panama City ACAN in Spanish 0055 GMT 16 May 86

[Text] San Jose, 15 May (ACAN-EFE) -- The six commanders who rejected Eden Pastora's leadership last weekend and joined Fernando "El Negro" Chamorro's forces, today asked their former comrades in arms to surrender. Pastora, main leader of ARDE, will turn himself in tomorrow morning to the Costa Rican authorities, from whom he will request asylum. He and 300 fighters will put down their weapons,

The commanders who refused to recognize the guerrilla leader's authority asked the fighters who will turn themselves in tomorrow to reflect and, in any case, not to "take a single rifle out of Nicaragua," but to leave them for those who wish to remain behind "struggling for their freedom." The first message from Leonel, Ganso, Navegante, Oscar, Omar, and Pedro Rafa is addressed to the fighters who are on the San Juan River's banks, "the only military region which has not joined the unity," and asks them not to let anyone mislead them.

The statement, which was revealed to ACAN-EFE, includes a promise from the six dissidents to continue struggling "to the last man against the communist regime in Managua." Leonel and his general staff add: "Thus, we have taken a step toward unity by joining other revolutionary forces with the intention of increasing the struggle against the oppressors of the Nicaraguan people."

Pastora's former commanders (although they do not mention him in the text) proclaim their loyalty to "our homeland," and ask the ARDE forces to show the world, "as Nicaragauns and men who struggle for the same cause, that democracy is our utmost goal." Meanwhile, the Costa Rican authorities at the Nicaraguan border remain alert and are waiting for Pastora and his guerrilla sons, Panfilo and Alvaro, and approximately 300 fighters, to cross the San Juan River and turn in their weapons early tomorrow morning, as Commander Zero has offered.

LEADER BLAMES U.S. FOR FORCING UNO MERGER

PA151936 San Jose Radio Reloj in Spanish 1200 GMT 15 May 86

[Text] Alfredo Cesar, top leader of the Southern Opposition Bloc [BOS], said during a news conference that the merging of BOS armed forces with the Nicaraguan Opposition Unity (UNO) came as a result of U.S. Government pressure. Cesar said that this merging represents a flagrant violation of talks that had been held between the two organizations. He said that what happened last week represents an act of coercion against six regional commanders who for 2 years received neither military nor economic assistance.

According to Alfredo Cesar, the U.S. Government has the obligation of thinking about what to do with the people in the southern front who are opposed to the Managua regime. In this regard, the southern front people will send today a letter to U.S. Assistant Secretary of State for Inter-American Affairs Elliott Abrams. In that letter they point out the offers that Abrams has made to BOS on behalf of President Reagan.

Cesar said that on 8 May Abrams told him that the U.S. Government had changed its policy for the rebels in the south and would support BOS in the distribution of resources and that there would be no preferences. In the letter BOS asks Abrams and his government what to believe regarding U.S. policy for the rebel anti-Sandinist groups. Cesar said that what happened with regional ARDE commanders as a result of Reagan government activities has created a situation that makes the Latin American people have doubts about the true U. S. Government intentions regarding the Nicarguan situation. Because of this situation, the Latin Americans cannot clearly see the purposes and objectives of the Reagan administration, because while Abrams says something, the true situation is something else.

FORMER SANDINIST INTELLIGENCE CHIEF INTERVIEWED

DW151215 Mainz ZDF Television Network in German 1815 GMT 14 May 86

[Interview with former Nicarguan counterintelligence chief Alvaro Baldizon by correspondent Juergen Koch from the "ZDF Magazine" program with superimposed German translation -- place and date not given -- recorded]

[Text] [Koch] Mr Baldizon: Why did you break with the Sandinists? You had an important job in the Interior Ministry.

[Baldizon] That is pretty simple. I was once a romantic communist who was infatuated with Marxist-Leninist theory. But I became disappointed when I saw the hard reality. The leftist organization that I had come to know -- which I had given my support to -- changed, after they rose to power, into an organization that had dethroned one ruling elite only to substitute another. That new government bourgeoisie has subjugated the means of production and the labor force. And very soon I found out that there was extraordinary repression and control, that the Nicaraguan people are subject to constant violations of human rights. And I noticed that there is a high degree of corruption in government circles. I realized that I was part of an organization that actually could only be called ultra-rightist, ultra-reactionary, and which is particularly narrow-minded. In other words, I was in the wrong organization, so I decided to go.

[Koch] Are you still a Marxist-Leninist?

[Baldizon] No, no longer. I am disappointed at its theory, for I have understood that such a theory cannot be put into practice. It is just a thing for reomantics.

[Koch] You were trained in the USSR, in Volgograd?

[Baldizon] Yes, I studied in the USSR for 1 year.

[Koch] At the police academy?

[Baldizon] Yes, at the Volgograd University department of police sciences.

[Koch] What can you tell us about Cuban, GDR, Bulgarian, and Palestinian activities in your country?

[Baldizon] Well, there are more than 3,500 Cubans in Nicaragua who are working as military advisers in reconnaissance, military intelligence and defense. The Bulgarians are training primarily special troops. The East Germans are working in sectors of military reconnaissance and as advisors to the party, which is structured along Leninist lines.

[Koch] As somebody who filled an important post in the Interior Ministry you should be able to tell us what the Nicaraguans mean by special measures.

[Baldizon] Yes, according to the jargon, special measures is a term used to indicate something else, for example "execution" -- physical removal, or simply the shooting of a person.

[Koch] Are there shootings in Nicaragua?

[Baldizon] Yes, the death penalty is an established part of the Nicaraguan forces. It is based on an order called "Guidance of the Interior Minister on performing Special Measures Against Potential Political Enemies." That is classified as a state secret, and only departmental heads, minister, and deputy ministers have access to it.

[Koch] Are such cases dealt with by revolutionary tribunals?

[Badizon] No, those cases are special ones. That means individual citizens are selected and kidnapped in such a way that there are no witnesses. Then they are taken to secret prisons where they are tortured and killed later on.

[Koch] How should the Nicaraguan conflict be assessed currently?

[Baldizon] That conflict must be regarded in its essence: There is a clear confrontation between a people that refuses to accept Marxist-Leninist measures and the communist regime that forces it upon them. That is what unleashed a civil war, which is expanding and continuously increasing.

[Koch] And how could Nicaragua develop into a real democratic state?

[Baldizon] Quite simply: If the democratic states of the world came to understand that we Nicaraguans only want one thing -- democracy and freedom for the first time in our country's history. They should help us.

[Koch] Will there be a regional war in Central America?

[Baldizon] I do not think a regional war is possible. The conflict is confined to Nicaragua and a bit of El Salvador. If the power of the Sandinistas should become consolidated, however, then they would have the opportunity to export the revolution. In doing so, they would follow proletarian internationalist principles.

[Koch] Mr Baldizon, your family is still in Nicaragua. I have heard they have problems.

[Baldizon] Yes, my wife and my brother were arrested 3 days after my flight. My wife is currently under heavy mental strain. She is harassed regularly by state security people in the early-morning hours. My brother is serving a 10-year sentence. That would have been the sentence they inflicted upon me. Now they have sentenced him. The government has stated that I will never again see my wife and my son, and that my brother will pay for what I have done.

[Koch] As a former staff member close to Interior Minister Tomas Borge, you ought to know him quite well. Is it really true that he is involved in the international drug trade?

[Baldizon] Yes, I know him well personally as well as officially. He and his friends had to give me an official statement on their involvement in drug trafficking in former times when I, as a member of the investigating authority, had to check such things. It was declared to me that they were not involved in drug trafficking for immoral reasons, but to earn foreign currency with which the espionage of the Interior Ministry's Main Department Number Five was financed.

FIDEL CASTRO RECEIVES LIBYAN SPECIAL ENVOY

FL151618 Havana Radio Progreso Network in Spanish 1100 GMT 15 May 86

[Text] Commander in Chief Fidel Castro, first secretary of the party Central Committee and president of the councils of State and Ministers, yesterday received 'Ali Hudayri, deputy secretary of the Libyan General People's Committee for Foreign Liaison and special envoy of the leader of the Libyan revolution, Col Mu'ammar al-Qadhdhafi. At the lengthy and fraternal meeting, Comrade Fidel reiterated Cuba's solidarity beside the Libyan people and government, and Cuba's condemnation of the criminal aggression carried out against Libya by U.S. imperialism and the state terrorism practised by the government of Ronald Reagan which, for the first time, has used official forces in an attempt to execute a chief of state.

MALMIERCA MEETS POLISH DEPUTY FOREIGN MINISTER

FL151824 Havana Radio Periodico del Aire in Spanish 1600 GMT 15 May 86

[Text] Central Committee member and Cuban Foreign Minister Isidoro Malmierca has met in Havana with Jan Kinast, Polish deputy foreign minister, who is paying an official and working visit to our country. They discussed the main international political issues as well as other matters of interest.

RODRIGUEZ RECEIVES SPANISH MINISTER OF PRESIDENCY

FL151638 Havana Tele-Rebelde Network in Spanish 1100 GMT 15 May 86

[Text] Carlos Rafael Rodriguez, vice president of the councils of State and Ministers, has received Javier Moscosco del Prado, minister of the presidency of Spain, who is visiting our country. During the meeting, the Cuban vice president informed Minister Moscosco about matters related to Cuban economic and social development and perspectives in the field of science that the educational revolution in our country has created.

GHANAIAN ASHANTI KING MEETS EDUCATION MINISTER

FL160119 Havana Television Service in Spanish 0000 GMT 16 May 86

[Text] Ghanaian Ashanti King Otzmfuo Opoku Ware II met this afternoon with Education Minister Jose Ramon Fernandez, alternate Politburo member, Ministry of Education headquarters, During the meeting, Fernandez reviewed the current educational situation in Cuba and explained the goal to elevate education to a superior level. The Ghanian Ashanti king gave his opinion on the educational development achieved and especially on the aid offered by Cuba to other countries in the educational area.

AUSTRIA SIGNS COMMERCIAL LINE OF CREDIT

FL152346 Havana Radio Rebelde Network in Spanish 2300 GMT 15 May 86

[Text] A Cuban delegation presided over by Foreign Trade Minister Ricardo Cabrisas concluded a visit to Austria today. The predominant goal of the visit was to discuss increased trade relations between Cuba and Austria. One of the main agreements signed was a commercial line of credit for 100 million schillings, more than $6.5 million, awarded by the Austrian group (chemis lis), to Cuban enterprises Quimimport, Maprinter, and Medicuba. The loan will be used to purchase pesticides, chemical products, pharmaceuticals, and different types of new material.

OFFICIAL DISCUSSES QUITO DRUG MEETING

PA152148 Havana International Service in Spanish 1600 GMT 15 May 86

[Text] Cuban Deputy Felix Moreno has said in Havana that at a symposium on drug trafficking and drug addiction held recently, the United States was characterized as the country most responsible for promoting this type of activities. At a news conference to report on that meeting, which was held from 6 to 8 May in Quito, the capital of Ecuador, Moreno said that the symposium clearly condemned the United States for protecting the most notorious leaders of drug trafficking.

He said that the participants explained that drug trafficking exists not because Andean peasants and Indians cultivate coca and marijuana, as the U. S. Government wants to pretend, but because there are businessmen who have dedicated themselves to promoting that type of cultivation and to encouraging its consumption.

Moreno said that the Quito meeting was a good opportunity for reporting on what has been done in Cuba to eliminate drug addiction and to keep our country isolated from such a dirty business. This situation, Moreno noted, does not represent a social problem for us because we are building a society where the people do not feel frustrated and because we have adopted legal measures to prohibit the production, consumption, and trafficking of drugs throughout the national territory.

CONTRA PROPAGANDA DRIVE IN EUROPE VIEWED

PA152222 Havana International Service in Spanish 2300 GMT 14 May 86

["Note" by Maruja Garcia]

[Text] Spanish national radio began its newscast Tuesday by saying that the Nicaraguan counterrevolutionaries are preparing a campaign headquartered in Madrid, financed by the CIA, and aimed at stressing the terrorist nature of the Nicaraguan Government. In this way, they expect to justify the U.S. request for aid for the gangs of former Somozists.

Spanish national radio and later Spanish television included a large amount of material in the news, particularly documents drafted during a meeting held in Madrid and attended by counterrevolutionary leaders Alfonso Robelo, Arturo Cruz, and Adolfo Calero. The most surprising feature of the documents presented is the statement that the drive's objective is to convince the European public to aid the Nicaraguan counterrevolutionaries. According to this, it is obvious that European leaders and political personalities must be convinced of something they do not believe in, that is, the success of actions against Nicaragua.

The revelation is significant, quite the contrary. This is taking place at a time when the mercenary gangs are marked by the demoralizing stigma of their defeats on the battlefield, internal strife, drug trafficking, and the diversion of money for their personal businesses. It is worthwile recalling that it has been recently reported in Costa Rica that the leaders of the so-called Democratic Revolutionary Alliance had irreconcilable disagreements, which climaxed in the expulsion of Eden Pastora as military leader of the group. One of the gang's leaders, Adolfo Chamorro, has said that he will request a permit to reside in Costa Rica permanently because he regards armed struggle against Nicaragua as a failure.

At present, the U.S. Government is making great efforts at restructuring the leadership of the gangs, while an intense struggle for power continues among the aggressors. According to Spanish National Radio, the current campaign will include the editing of books and the publication of articles in European newspapers well-known for their conservative leanings, including ABC and EL ALCAZAR, the latter openly oriented toward Francisco Franco's ideology. We might ask whether this new drive for a lost cause can make Europeans believe more in corrupt people who have not even been able to project an image of unity.

FORESTRY WORKERS PRAISED AT SOVIET CEREMONY

FL160101 Hanana Television Service in Spanish 0000 GMT 16 May 86

[Text] A group of Cuban workers have been honored at the Cuban mission in Moscow for completing their tasks in increasing economic sooperation between the USSR, Bulgaria, and Cuba. Cuban Ambassador to the USSR Lionel Soto, member of the Secretariat of the Central Committee of the Communist Party of Cuba, praised the workers. The Cuban workers received diplomas recognizing their efforts in forestry in the Soviet Union. This work is the basis for the development of joint exploitation of the USSR's large forests. This idea was developed some time ago, but only until tests were made could the Cuban workers prove that he is capable of being productive despite the difficult winter conditions in Siberia in the Soviet Union.

GUZMAN ON PRODUCTION COSTS REDUCTION

FL132025 Havana Radio Rebelde Network in Spanish 1700 GMT 13 May 86

[Text] With a proposal to reduce production costs by 7.19 percent with a saving of 700 to 750 million pesos, some of the country's enterprises have ended the discussions on efficiency objectives which should be reflected in wholesale prices during the next reform, scheduled for 1989.

In a press conference, Minister President of the State Committee for Prices Arturo Guzman Pascual underscored the importance and responsibility with which the majority of the 1,150 selected enterprises had performed this task. However, he announced that more discussions will be held soon with 450 of those enterprises grouped into 18 state organs, among which some have failed to submit economic information and others are not following the third party congress guidelines on cost estimates.

Regarding future work for the final implementation of the general reform of wholesale prices, Minister Guzman explained: [Begin recording] We are going to establish the program of cost reduction by enterprises for 1987, 1988, and 1989. Thus, we are not going to be able to asses the work program in 1989 because it is simply not possible. We are planning to finish the program toward the end of June and in this way finish the cost reduction or efficiency program to be implemented in the 1,150 enterprises which represent the country's average enterprises, thus setting these cost reductions and increased efficiency in the wholesale price reforms which should begin to have an effect in January 1989. [end recording]

INSUFFICIENT MERCANTILE PRODUCTION GROWTH NOTED

FL152158 Havana Radio Rebelde Network in Spanish 1700 GMT 15 May 86

[Text] According to official figures of the State Committee for Statistics, the national economy fulfilled its mercantile production plan by 98.3 percent during 1986's first quarter. This represents a 3.7 percent growth compared to the same period last year. Despite this significant achievement, the negative tendency noted by Fidel in the third significant party congress main report -- that growth continues to be insufficient in most needed areas, export of goods and services and substitution of imports -- has remained.

Mainly light industry enterprises and other branches, such as basic industry, agriculture, material and technical supplies, foodstuff, and steel, did not fulfill their export plans due to various reasons.

CENTRAL COMMITTEE MEMBERS ATTEND ANPP ELECTIONS

FL132322 Havana Radio Periodico del Aire in Spanish 2130 GMT 13 May 86

[Text] With the attendance of more than 160 delegates, the fourth special session of the assembly of the people's government was held this afternoon in the FAR universal hall. The meeting was presided over by Central Committee members Jorge Lezcano Perez and Severo Aguirre del Cristo. The agenda included the presentation of provincial delegates, movement of new cadres, election of provincial tribunal judges, and integration of work commissions.

The electoral process was directed by Central Committee member Oscar Fernandez Mell, president of the Havana City People's Government. By democratic vote, the delegates elected representatives to meet the new responsibilities, showing once again that: the assembly of the people's government is the government of the organized people.

Constituent Meetings Held

FL091526 Havana Tele-Rebelde Network in Spanish 1100 GMT 9 May 86

[Text] The National Assembly of the people's government [ANPP] has reported that 99.9 percent of scheduled meetings dealing with reports to constituents have been held. About 5.5 million voters have participated for an 85.5 percent attendance. Among the most frequent proposals made were the need to pave streets and sidewalks and to find solutions to trash collection problems.

CORRECTION TO CAMACHO AT CTC MEETING

The following correction pertains to the item headlined "Politburo Member Camacho at CTC Meeting," published in the 15 May Latin America DAILY REPORT, page Q6, lines one and two:

[Text] The first provincial workers assembly to be held in Cuba has taken place in Santiago de Cuba. It is considered... (rewording)

REPORTAGE ON CARIBBEAN DEVELOPMENT BANK CONFERENCE

Lusinchi Opens Conference

PA151453 Caracas Television Service in Spanish 0000 GMT 15 May 86

[Text] We are having an economic crisis which has forced our country to reduce its financial cooperation with the Caribbean countries; nevertheless, we are fulfilling the agreements we have without neighbors and will continue doing so, President Jaime Lucinchi said at the opening of the 16th conference of governors of the Caribbean Development Bank.

Some 200 personalities from the region's economic world are participating in the confernce, whose main objective is to set forth the bank's financial policies for the next 5 years.

Participating in the conference are six heads of state, among whom are Prime Minister Lynden Pindling of Bahamas, Maria Eugenia Charles of Dominica, Herbert Blaize of Granada, John Compton of Saint Lucia, and James Mitchell of Saint Vincent and the Grenadines. The Caribbean countries are represented by the Caribbean Development Bank governors, including Canada, Great Britain, and France.

In his opening speech, President Lusinchi called on all countries to join to make effective efforts for economic and financial cooperation among the countries of the area, because individual efforts are not enough.

[Begin recording] We call on donor countries to make the efforts to strengthen financial capacity, convinced as we are of the importance of this institution, which is a fundamental instrument for the development of the Caribbean region. Meanwhile, the bank should adapt itself to the new circumstances by maintaining and strengthening the basic characteristics of the institution as a regional development organization. [end recording]

The Caribbean Development Bank was founded on 18 October 1969 and began operations on 31 January 1970. Venezuela joined the bank in 1972, and during those 13 years it has had contributed to the bank's assets in the amount of $55 million, distributed in the following way: $ 9million cash deposit capital; $21 million in the special guarantee fund; and $25 million in trusteeship. The Caribbean Development Bank's current capital is $289 million. Last year the bank's operations amounted to $580 million.

The conference will end tomorrow, and according to reports all the participants agree on the need to take urgent measures to defend the economies of Caribbean countries because there is a possibility that these countries' living standards could undergo a major deterioration, which will cause, as should be expected, instability and social unrest.

More on Opening

FL151724 Bridgetown CANA in English 1343 GMT 15 May 86

[Text] Caracas, May 14 CANA-REUTER -- Caribbean Development Bank (CDB) President William Demas told member nations today they must diversify their economies or risk losing the social gains of the past 25 years.

Speaking at the opening of the Bank's annual board of governors meeting, Demas said the increase in the standard of living in the region since 1960 was threatened by the current economic stagnation. We should not be deceived into thinking we are firmly set on the road to self-sustaining economic development for our economies remain very fragile and vulnerable to internal and external shocks, Demas told representatives of the bank's 23 member countries.

The CDBS annual report, released at the meeting, showed regional economies as a whole suffered a slowdown in 1985, with some growth in tourism on the smaller islands. Demas told delegates productivity must be improved in the agricultural, manufacturing and service sectors in order to achieve long-term development.

Hector Hurtado, president of the Venezuelan Investment Fund (VIF) who chaired the meeting, said that without stable growth, developing countries risk a decline in the standard of living of their people which could only lead to an inevitable social instability and pressure.

CDB members meeting here today and tomorrow were expected to discuss how to obtain financing for development. Many of the capital access doors which were open to members are now being painfully shut, and the bank is being called on to replace them, Prime Minister Lynden Pindling of Bahamas, one of five heads of state attending, said.

However, while the bank's total resources grew from 548 million dollars in 1984 to 580 million last year, net loan approvals were 35.3 million dollars, the lowest since 1978.

The CDB is seeking ways of raising more capital, but subscriptions from contributing regional countries, Venezuela, Mexico and Colombia, are not expected to increase.

Venezuelan President Jaime Lusinchi, who addressed the opening session, said, I feel obliged to say that Venezuela's possibilities of carrying on an important financial cooperation have been drastically reduced. Since joining the bank in 1973, Venezuela has contributed 55 million dollars to the CDB through different funds. However, Lusinchi said, Venezuela is willing to explore new forms of cooperation in line with realities.

Pindling told delegates the logical step would be to seek greater contributions from non-regional members, of which there are now three: Britain, Canada and France. On the agenda for the two-day meeting, which ends tomorrow, are membership applications from Italy and Peurto Rico. Caribbean states, however, have voiced concern over losing a majority of membership on the bank's board of governors and in shareholding.

Meeting Ends

FL152211 Bridgetown CANA in English 2045 GMT 15 May 86

[By Keith Grant]

[Text] Caracas, May 15, CANA-REUTER -- The Caribbean Development Bank (CDB) ended its annual meeting here today without resolving the issue of arrears by two members and disagreement on whether it should borrow in international capital markets.

CDB President William Demas said in a final address that crucial decisions must be made on the bank's role in financing development in the region in the next five years but no consensus has been reached. I believe that some element of market borrowing is inevitable as a mature development bank, he said, but added that France had advised caution.

The CDB, set up in 1970, has to date obtained funds mainly from capital subscriptions and loans from the World Bank and the Inter-American Development Bank (IDB). At the end of 1985, its total resources stood at 580 million dollars.

The bank governors were unable to reach agreement on some 15 million dollars in arrears of Guyana and Antigua and Barbuda, and deferred the issue until a meeting next December. We are not happy with the bank's approach. It should be more sensitive to the problems faced by countries in the region, Guyana's Finance Minister Carl Greenidge told reporters. He said two CDB board members from outside the region objected to a rescheduling plan and, as a result, Guyana would seek a new formula this time to repay the arrears in full. Greenidge said Guyana will use any spare funds to repay the CDB before the International Monetary Fund (IMF), to which it is more than 30 million special drawing rights (SDRS) in arrears.

He said Guyana's desperate financial straits are reflected by the fact its debt is equivalent to 200 per cent of its gross domestic product, almost the highest ration in the world, and its export earnings fell 44 per cent between 1980-84.

But Demas said virtually all the CDB members had agreed that borrowers should show a greater commitment to avoiding arrears. Antigua and Barbuda said it would make efforts to repay its debt. At the same time, he said the 23-nation CDB must redefine its financial programming to reflect plans for expanded membership, both of donor and borrowing countries.

Apart from Italy, whose parliament is due to ratify membership, and Puerto Rico, Demas said the CDB will consider a French proposal to include Haiti as a borrowing member. West Germany has also shown interest in membership, delegates said.

Demas said that for Haiti to join, the CDB would have to amend a recent resolution that limits new membership to countries which are already members of the 13-nation Caribbean Community (Caricom). Haiti is now an observer of this trade group.

He said other proposals made at the 16th annual meeting here included a closer monitoring of projects by the CDB and a higher proportion of loans to the private sector. A new departure was also urged into structural adjustment and sectoral lending, of the type presently granted by the World Bank. This would involve monitoring of macro-economic policies in member countries. In this context, Mexico proposed an ad hoc group to report within six months on the Caribbean region's financing needs linked to economic adjustment programs. But it said that the CDB attack increased conditions to these loans.

The proposals, contained in an internal document outlining the bank's role in the next five years, also included an increase in lending to 360 million dollars in the period from 220 million between 1981-85. But France argued that such an increase would lead the bank to risky financial exposure and also recommended that the CDB continue to finance itself from the World Bank and the IDB. It seems very premature to see the bank tapping the financial markets for substantial amounts, it said.

CARIBBEAN TOURISM GROWTH NOTED IN CDB REPORT

FL150148 Bridgetown CANA in English 1541 GMT 14 May 86

[Excerpts] Caracas, May 14, CANA -- The tourism industry in the region performed well in 1985 and prospects are good for further improvements during 1986, says the annual report of the Caribbean Development Bank (CDB), which has to date provided U.S. 18.9 million dollars in financing to the sector.

There were increased visitor arrivals in almost all of the major regional tourism centres, except Jamaica where social disturbances at the peak of the winter season affected its attractiveness as a destination, and Barbados because of reduced competitiveness.

The Trinidad and Tobago dollar devaluation late in the year had begun to impact adversely on the flow of Caricom visitors from that country to its neighbours.

The report focuses on those territories where tourism is comparatively well developed or is being developed as a significant sector of the economy. It is estimated that in the 14 territories surveyed, the aggregate arrivals of stopover visitors increased by 13.2 per cent during the first nine months of 1984. [date as received]

The United States continued to be the major tourism market, although visitors arrivals from that country showed a slight decline, probably in repsonse to a weakening of the U.S. economy; and while there was a substantial increase in visitor arrivals from Canada in Anguilla, and Barbuda, St Kitts and Nevis, and Turks and Caicos islands, overall there seemed to be fewer Canadian visitors than in the previous year, most likely due to a decline in Canadian economic activity.

In general, tourist arrivals from Europe showed signs of an upturn, which can be attributed to increases in the value of most European currencies against the U.S. dollars. [passage omitted]

The report provides the following summaries on performance of the industry in the CDB borrowing member countries:

Anguilla:

A buoyant tourism sector helped Anguilla to sustain the trend of relatively strong economic growth during 1985. Visitor arrivals increased [words indistinct] per cent to reach 55,461 compared with the 59.2 per cent increase in 1984.

Antigua and Barbuda:

Economic expansion in Antigua and Barbuda is attributable to continuing growth in tourism. During the first nine months, arrivals of stopover visitors rose by 11.1 per cent to 105.400. compared with 94,900 during the same period in 1984, while cruise ship passengers increased by 70.1 per cent to 67,200 from 39,500. Thus strong performance in the tourism sector continued to provide the major stimulus to growth.

Bahamas:

There was a high level of activity in the tourism sector in 1985 and total visitor arrival increased by 13.2 per cent to over 2.63 million compared with 2.33 million during 1984. Of the total, arrivals of cruise ship passengers amounted to 1.25 million, increasing by 24.2 per cent from 1 million in 1984.

Preliminary estimates indicate that hotel room occupancy rates during January to September 1985 averaged 69.8 per cent, compared with 71.2 per cent during the same period in 1984.

The industry continued to be largely dependent on the U.S. market, which accounted for about 86 per cent of total visitor arrivals in 1985, compared with 84 per cent during 1984. Preliminary estimates indicate that total tourist expenditure increased by 17.8 per cent during 1985 to U.S. 880 million dollars.

Barbados:

Stopover visitor arrivals January to October 1985 declined by 2.3 per cent, compared with the corresponding period in 1984. In part this reflected the delayed effect of reduced competitiveness of dollar-area tourist destinations via-a-vis non-dollar areas, as a result of the increase in the international value of the U.S. dollar to which the Barbadian currency is tied.

During 1984 and early 1985, the Caribbean became relatively less attractive to both North American and European travellers. Within the Caribbean, however, Barbados became a less attractive destination relative to the smaller islands. Arrivals to Barbados from Europe declined by 14.9 per cent, and, while arrivals from North America increased by 6.8 per cent, this increase came only in the first four months of the year; arrivals fell in the latter months.

Visitors arrivals from Trinidad and Tobago during the period fell by 23 per cent, as the result of economic recession and the imposition in January 1985 of a 10 per cent tax on purchase of foreign exchange for travel purposes. Economic difficulties led to a 6 per cent decline in arrivals from other Caricom countries as well. The island's major gateway to the world — the Grantley Adams International Airport -- is implementing a runaway rehabilitation project, assisted by a U.S. 7 million dollar loan from CDB, to enable it to accomodate present and projected aircraft traffic.

British Virgin Island:

During January-June 1985, stopover visitors increased by 7.6 per cent to 85,334, from 79,283 during the corresponding period of 1984, while arrivals of cruise ship passengers increased by 30 per cent from 13,316 to 17,321.

Cayman islands:

During 1985, visitor arrivals by air declined by 2.3 per cent to 145,072, compared with 148,485 in 1984. Arrivals from the U.S., which accounts for about 80 per cent of visitor arrivals by air, fell by 3.9 per cent. Although arrivals from Canada and the UK increased by 5 per cent and 1.4 per cent respectively, this category of visitor accounted for only 6.6 per cent of the total.

Dominica:

Dominica experienced a decline of 2.2 per cent in visitor arrivals for the first nine months of 1985. However, there are signs of a growing interest in tourism. Promotional activities were stepped up to attract visitors from the neighbouring French islands of Martinique and Guadeloupe and a number of tourism projects commenced in anticipation of some growth in visitor arrivals.

Grenada:

Influenced by greater stability in the domestic political climate, the tourism industry in Grenada improved considerably during 1985. Arrivals of stopover visitors increased by 34.1 per cent from 28,818 during 1984 to 36,647 in 1985.

Cruise ship passengers also showed a sharp upturn during 1985, increasing to 91,807 from 34,166 in 1984. Improved facilities at the Port of St Georges installed with the help of a CDB loan of U.S. 1.9 million dollars, were commissioned into service in 1985; and tourism development is one of the objectives of a U.S. 4.45 million dollar line of credit approved by CDB in 1985 for Grenada.

Jamaica:

The country experienced a setback in tourism sector during 1985. Data for the first 10 months of the year indicate that the number of stopover visitors declined by 4.9 per cent to 489,162 from 514,605 during the same period in 1984, while hotel room occupancy rates declined from 60.6 per cent to 51.7 per cent. However, during the same period, arrivals of cruise ship passengers increased by 13 per cent to 210,323. Estimated visitor expenditure declined by about 24 per cent from U.S. 406.6 million dollars in 1984 to U.S. 309 million dollars in 1985, primarily because of the social disturbances that occured during the peak of the winter season. However, the industry is expected to recover in 1986 and show a positive outcome. During the year, there was further lending activity to the sector through approved intermediaries from a U.S. 6 million dollars line of credit from CDB to the National Development Bank of Jamaica Limited.

Montserrat:

There was a rise during 1985 in the contribution of tourism to GDP in Montserrat. Reflecting a 5.5 per cent increase in the number of stopover visitors, total visitors arrivals increased by nearly 2.4 per cent during the first nine months of 1985 to reach 19,140. While unemployment in the construction sector remained problematic, tourism spending seemed to have created further income earnings opportunities outside of hotels.

St Kitts and Nevis:

Expansion of the economy of St Kitts and Nevis was spreadheaded in part by tourism. The industry continued to be the strongest growth sector in the country. Visitor arrivals for the first nine months of 1985 totaled 33,837, an increase of almost 15 per cent over the same period in 1984. Most success was achieved in attracting visitors from Canada. By September, arrivals had reached 4,333 and were more than double the total number of arrivals from Canada during 1984.

St Lucia:

Visitor arrivals by air to St Lucia rose by eight per cent to 70,961 during the first nine months of 1985, compared with the same period in 1984. While visitors from the U.S. rose by 4.4 per cent, visitors from Europe rose by 16.8 per cent. The number of arrivals by air from Canada declined by 16.1 per cent, while arrivals from all other countries rose by 14.3 per cent. The strong performance from the European market was probably in response to specific marketing efforts on the part of operators in the St Lucian tourism industry, since there was no clear upward trend in the pattern of European arrivals in the Caribbean during the year.

St Vincent and the Grenadines:

Visitor arrivals by air to St Vincent and the Grenadines during the first eight months of 1985 rose by eight per cent to 25,345 compared with the corresponding period of 1984. The rise reflected increases in arrivals mainly from the U.S. (15 per cent), Canada (22.6 per cent) and Europe, including the UK (three per cent).

Arrivals of cruise ship passengers during January to August fell by 55 per cent to 24,455, compared with the corresponding period of 1984. There is need for a long-term programme for the tourism sector, which would include elements such as aggressive marketing and improvement of air links with Barbados, which is the main international gateway for St. Vincent and the Grenadines.

Turks and Caicos Islands:

There was record growth of tourist arrivals in the Turks and Caicos Islands during 1985, and much activity of hotel development on the island of Providenciales boosted tourist arrivals to the country as a whole. The number of stopover visitors jumped by 73.8 per cent from 12,432 in 1984 to 21,601 in 1985. This was the highest percentage increase in the Caribbean for the year. Club Mediterranee also diverted tourists away from the other islands in the group, particularly Grand Turk. While arrivals to Providenciales tripled, arrivals to Grank Turk, North Caicos and South Caicos fell by 30.9 per cent, 37.2 per cent and 5.4 per cent respectively.

BAHAMAS

THE TRIBUNE EXAMINES BAHAMIAN-CUBAN RELATIONS

FL142156 Nassau THE TRIBUNE in English 8 May 86, p 5

[Article By Etienne Dupuch]

[Text] For years now the Pindling government -as been operating on the fringe of the Castro camp in Cuba. On Saturday I reprinted a speech I made at an inter-American press conference in Mexico 16 years ago. Read it again and you will realise that I predicted events that are now taking place in the Bahamas. At the time Prime Minister [PM] Pindling was taking the Bahamas into independence. This was at a time when Castro threatened to build a ring of steel around the U.S. He declared that if Britain could no longer take care of the Bahamas he would. And the American high command publicly admitted that its southern flank was being threatened by events taking place in the Caribbean.

During 19 years of PLP [Progressive Liberal Party], government it would almost seem that the prime minister and his flock have been deliberately driving our natural allies... British, American and Canadian investors... out of the Bahamas. Now the vacuum is being partly filled by men out of the Middle East whose presence here, in the course of time, is bound to attract to our area people of the Al-Qadhdhafi stripe. I keep on pointing out this dangerous trend to readers of this newspaper, but the Bahamian people have been lulled to sleep by a false prosperity that is clearly provided by the traffic in dope.

Strange and unbelievable things have been happening at the seat of government since the report of the royal commission of inquiry on the dope traffic in which a number of people in government were exposed and condemned. Two members of the cabinet resigned, but have retained their seats in the house. This was an occasion when it seemed that the prime minister himself also should have resigned as prime minister or called a general election. He did neither.

Since then Mr Kendal Nottage has been behaving as though he has been elected spokesman for the government. Both he and the PM have been making wild speeches all over the place. They seem completely incapable of shame. And well they might be because they still seem to command a following among the people. It is really unbelievable, you know, many leaders in the West Indies have commented to me that such a thing could happen only in the Bahamas.

The second time that the Bahamas seemed to be dangerously on the Cuban fringe was when President Reagan...at the urging of governments in the southern Caribbean...moved troops into Grenada to drive Cuban communists out of the island where it was later found that the Cubans, under direction from Russia, were preparing to take over former British colonies in that area. The Pindling government joined with leftist forces in condemning this action by Mr Reagan. At that time attorney General Paul Adderley was foreign minister. He and the prime minister made wild speeches on that occasion. One of the heads of government in the Caribbean, who had joined the petition to Mr Reagan to save them from a communist take-over, has repeatedly told me that he will never forgive Mr Adderley for a speech he made at the United Nations.

It seems clear that the prime minister was conscious of the displeasure of the U.S. Government when he moved Mr Adderley out of the Foreign Ministry and demoted him to minister of education where he soon became the centre of a teachers dispute. He replaced Mr Adderley in the Foreign Ministry with the Hon Clement Maynard who he also made minister of tourism.

The PM himself took on the Ministry of Finance because his long-time closest associate in government, Mr Arthur Hanna, resigned from the cabinet because, although his hands were clean, he felt he could no longer hold up his head in the country after the exposures of the royal commission. He rightly felt at the time that the prime minister should also resign so that a new and more acceptable leadership could be created within the PLP. Mr Hanna was replaced as deputy prime minister and leader of the house by Mr Maynard. Since then Mr Maynard has been the big voice in the government. During a visit to Nassau by U.S. Vice President Bush, Prime Minister Pindling found it convenient to be cruising in a yacht somewhere in the Bahamas. It was suggested at the time that he wanted to snub Mr Bush, but my contacts in the U.S. told me that the reverse was the case...it was Mr Bush who didn't want to have to deal with Sir Lynden.

Whatever the reason for this strange situation...Mr Maynard then functioned as the head of government. And it was the general impression that Mr Maynard had found favour with U.S. Ambassador to the Bahamas Dr Lev Dobriansky, who clearly felt that his brand of diplomacy had achieved much for the U.S. in the Bahamas. I have repeatedly warned him that he was sadly mistaken.

Recently there have been many rumours about talks being held in Nassau between Foreign Minister Maynard and representatives of the Cuban Government. It was said that this was necessary because of the possibility of drilling for oil in an area of the ocean which might be either Bahamian or Cuban waters. Some concern was felt in FNM [Free National Movement] opposition ranks about this activity, but even some sections of the FNM did not take this activity seriously.

In this newspaper on Tuesday the whole plan was revealed. Castro is now solidly in the Bahamas with two feet firmly planted in our soil. Read again the report written by Athena Damianos and published on the front page of this newspaper on Tuesday and you will know what I mean. Of particular interest is the spot where Athena Damianos... in her telephone interview with the Cuban ambassador, who is a guest at the Royal Bahamian Hotel & Villas, on Cable Beach, asked him a pointed question. Everything was going smoothly up to the point when she mentioned the name of a Bahamaian who, rumour has it, might have been involved in this affair. This man's name figured prominently in the report to the royal commission. The ambassador immediately clammed up..."no speak de English"...and put his wife on the phone. I cannot mention the name of the man that caused this sudden turn in the interview, but I feel certain Mr Maynard would recognise the name of the man if it were whispered in his ear! I wonder if he would be surprised ...I really do wonder?

In my opinion...and I hope the situation has not yet descended to the position where I can no longer express an opinion in my own country...this is a dastardly plot in which Castro is using the same strategy that gave him a foothold in Jamaica during the leftist Michael Manley regime when a lot of trouble was created until the people drove Manley out of office and the communists were expelled from that island. The same thing happened in Grenada. And I feel it is going to happen here too. It had better not happen here...or else!

The Bahamian people are being lulled to sleep by what is clearly a drug smuggling economy, which has brought prosperity to many of them, evidence of which is to be seen on all sides in Nassau and many of the out islands. In the process the youth of our country are being destroyed, but that seems of no concern to the "powers-that-be" so long as the dirty money continues to roll in. It is to the credit of National Security Minister Loftus Roker that he alone in government has told the truth about this situation. He has stated flatly that the drug trade goes on because politicians, some ministers of the gospel (some of whom, it is clear, have prospered enormously), elements in the police and the public service generally, are not opposed to this traffic in death. They think it will go on forever. "But are we against drug trafficking?" asked Mr Roker. He then answered his own question with this comment: "I say no. I say leaders in the Bahamas are not really against it."

But read over again the speech made by British high commissioner, the Hon Peter Heape, to the South East Rotary Club and published in THE TRIBUNE on Tuesday under the heading "Britain declares war on drug abuse...strkes at profits of traffickers." Also in Tuesday's issue of THE TRIBUNE a news dispatch out of Rio de Janeiro, Brazil was published under the heading "U.S. Europe, Latin America Pledge To Stop the Drug Trade."

However it works out, it is clear that the Bahamas is in great peril now that the Cubans have established a foothold in our islands. By this action the Pindling government... or should I say the Maynard government?... has cut the bridges behind the Bahamian people so that now they have nowhere to turn for security in the future.

The U.S. Embassy in Nassau has made only a brief statement on the situation but, even the little they have said, it is clear that the U.S. is greatly concerned. And so should our Bahamian people be...but are they? Once again I suggest that you read over the speech I made in Mexico 16 years ago which was republished in THE TRIBUNE on Saturday.

GRENADA

BLAIZE SAYS POLITICAL STABILITY IMPROVED ECONOMY

FL151812 Bridgetown CANA in English 1402 GMT 15 May 86

[Text] Caracas, May 15, CANA-REUTER -- Prime Minister Herbert Blaize of Grenada says political stability since the October 1983 invasion by U.S. and Caribbean forces has brought an upturn to the island's economy. No country can be said to have economic strength unless it has a proper political base. With the return of political and constitutional stability, Grenada has begun to reap benefits of all kinds, Blaize told REUTER yesterday. The Grenadian prime minister was in Caracas to attend the annual meeting of the Caribbean Development Bank (CDB).

Blaize said visits by cruise ships to Grenada had doubled in 1985 and that by the end of this year, he expected an additional 1,000 hotel rooms on the island. Besides tourism, Blaize said agriculture was targetted for development. With financing from the World Bank, Grenada hopes to get away from its traditional dependence on exports of nutmeg, cocoa and bananas as the primary foreign exchange earners, he said.

He added there had been a significant increase in exports of fruits and vegetables, although he gave no figures.

Regarding industrial development, the prime minister said efforts are being concentrated on improving the island's roads and power and telephone lines. Blaize said that three weeks ago, Johnson and Johnson had begun operations in Grenada and he expected the U.S. company will create 200 new jobs.

JAMAICA

CORRECTION TO SEAGA BUDGET DEBATE COMMENTS

The following correction pertains to the item headlined "Prime Minister Seaga Closes Budget Debate," published in the 15 May Latin American DAILY REPORT, page S 5, paragraph 6:

The new budget moves resulted in a record 1.05 billion budget. (deleting word "which" and editor's note)

ST CHRISTOPHER-NEVIS

PRIME MINISTER TO HOLD TALKS IN MONTSERRAT

FL152312 Bridgetown CANA in English 2040 GMT 15 May 86

[Text] Plymouth, Montserrat, May 15, CANA -- St Kitts and Nevis Prime Minister Dr Kennedy Simmonds was due here today for bilateral talks with Chief Minister John Osborne.

Simmonds will be guest at a dinner tonight hosted by the Montserrat Government and he will meet members of the island's legislative council and cabinet.

A spokesman for the chief ministers office said that talks between the two Organisation of Eastern Caribbean States (OECS) leaders will focus on relations between the islands but gave no details and did not say how long they will last.

LABOR PARTY LEADER ON SUGAR INDUSTRY

FL131741 Bridgetown CANA in English 1715 GMT 13 May 86

[Text] Basseterre, St Kitts, May 13, CANA -- Former Premier Lee Moore, re-elected Sundary as Labour Party [LP] leader, says the St Kitts and Nevis sugar industry is in its death throes. Moore told party supporters that it was difficult to say if the industry would survive long.

He said that over the past six years output had steadily declined from a high of 40,000 tons in 1979 to a projected 25,000 this year. And what can we expect since large acreages of fertile cane lands have been turned to other less productive uses, Moore said.

The party called on government to initiate steps immediately to complete enactment of an effective law for the protection of workers employment. The resolution, one of 20 adopted at the annual conference of the party, specifically seeks the protection of workers against unfair dismissal, and the provision of adequate machinery to handle grievances.